The Social Convergence Framework in the European Semester

ETUC - Rethinking Sustainable Growth for Democracy, Security and Quality Jobs
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1. Genesis and objectives
Genesis of the initiative

- **Oct 2021**
  - Launch of the BE-ES initiative at EPSCO

- **27/01/2022**
  - FR Presidency mandate to prepare an EMCO-SPC Opinion

- **February-May 2022**
  - Discussions in EMCO/SPC and sub-groups

- **2/09/2022**
  - CZ Presidency mandate to continue work

- **16/06/2022**
  - Discussion in the EPSCO Council

- **16/05/2022**
  - Finalisation of the EMCO-SPC Opinion

- **29/09/2022**
  - Establishment of a Joint EMCO-SPC Working Group*

- **October-December 2022**
  - Analytical discussions

- **January-May 2023**
  - Running of a pilot

- **12/06/2023**
  - Debate at the EPSCO meeting, following a SE Presidency mandate

* The WG comprised the following members: BE, CZ, DE, EE, EL, ES, FI, FR, HR, HU, IE, IT, LU, LT, LV, MT, NL, PL, PT, SI, SK.
Stated objectives of the BE-ES initiative

Ensure a strong social dimension of the European Semester

Support the implementation of the European Pillar of Social Rights

Ensure a strong role of the EPSCO Council
Value added of a SCF in the Semester

1. **Strengthen the monitoring and assessment of employment and social challenges** in the Member States (based on a two-stage process)

2. **Use existing monitoring tools** (i.e. Social Scoreboard, JER methodology) in a more systematic process and **explore possible methodological refinements**

3. **Sharpen the focus of the annual multilateral surveillance activities** conducted by the EPSCO Council and its Committees
Organisation of the work

“First phase”
October – December 2022

• Conceptual and methodological issues
• Focus on criteria to identify Member States requiring a deeper examination, according to the findings of the Social Scoreboard
• First Commission services’ paper on the possible integration in the Semester
• Agreement on the organisation of the pilot in the second phase

“Second phase”
January – May 2023

(Cont.) Conceptual and methodological issues
(Cont.) Focus on criteria to identify Member States requiring a deeper examination, according to the findings of the Social Scoreboard
• Second Commission services’ paper on the possible integration in the Semester
• Focus on conducting a pilot by simulating all “steps”
• Preparation and finalisation of a final WG Report:
  ✓ with Key Messages endorsed by EMCO and SPC

(SE Presidency mandate in February 2023)
Key features of the framework

Title
“Social Convergence Framework”

Objective
- Monitoring “upward social convergence” in the Union, in line with the European Pillar of Social Rights and the Social Scoreboard

Value added
- More structured analysis of risks and challenges
Outcome of the pilot

According to the findings of the examination by EMCO and SPC, a Social Convergence Framework in the European Semester would be:

× Not a new procedure;
✓ An analytical framework for a more systematic monitoring of employment and social developments;
✓ Run together with Member States to promote upward social convergence in the Union and better identify risks, in line with the European Pillar of Social Rights.

✓ Based on refined existing tools, notably the Social Scoreboard, the JER and the EMCO-SPC multilateral surveillance activities;
× Without entailing new reporting obligations.

✓ Based on Art. 148 TFEU and fully in line with the Commission’s proposals on the Economic Governance Review;
× Without interfering nor prejudging the outcome of the Economic Governance Review.
3. The Social Convergence Framework: possible design
Possible timeline within the European Semester

End-Nov
• First-stage analysis via COM Proposal for a JER

End-Feb
• Second-stage analysis via COM Social Convergence Reports

March
• EPSCO: JER adoption + Council Conclusions on ASGS and JER

End-May
• COM proposals for CSRs (with no automaticity)

April/May
• EMCO-SPC finalisation of horizontal and country-specific conclusions for the Council

March/April
• Multilateral surveillance reviews in EMCO-SPC focused on social convergence challenges in COM second-stage analysis

June
• EPSCO: endorsement of EMCO-SPC conclusions + approval of CSRs

End-May/Early-June
• CSR negotiations in Committees
1. First stage of the analysis

- Risks to social convergence identified via a first reading of the Social Scoreboard in the COM proposal for a Joint Employment Report as part of the Semester Autumn Package

- The risks are identified by aggregating information from individual Social Scoreboard headline indicators, using a dedicated methodology discussed with EMCO and SPC (that relies on the agreed JER traffic-light methodology)
2. Second stage of the analysis

- On the basis of the Member States and policy areas identified in the first stage as potentially experiencing risks, an evaluation would follow on whether challenges to upward social convergence are actually present.

- Deeper analysis based on wide quantitative and qualitative evidence (including progress towards the 2030 national targets).
3. Multilateral surveillance in EPSCO and its Committees

• The annual country-specific reviews by EMCO and SPC would become more focused on the challenges identified in the two-stage analysis of the Social Convergence Framework.

• This would foster a shared understanding of challenges and ownership of possible remedial policy actions.

• Horizontal and country-specific conclusions would be endorsed by the EPSCO Council.
4. **Country-specific recommendations (CSRs)**

- The analysis of challenges run via the Social Convergence Framework would provide the analytical underpinning for the COM reflection on CSR proposals in the *Semester Spring Package*.

- There would be **no automaticity** between the findings of the framework and the CSR proposals.
4. Broader (related) institutional developments
Broader institutional developments in 2023

15 March and 11 May:
Resolutions 2022/2151 and 2023/2586 calling “on the Commission to present a Social Convergence Framework”

26 April:
Opinion SOC/748 calling for an instrument “facilitating upward social convergence”

26 April:
Legislative proposals, incl. new Regulation for a “stronger and more effective European Semester”
ES-BE Pres initiative on social investment

A reflection on the role of social investment in EU governance launched jointly by the current ES Presidency and the forthcoming BE Presidency

13-14 July 2023
EPSCO Ministers expressed a strong interest in exploring the role of social investment in a reformed EU economic governance framework

November 2023
EMCO and SPC to provide a formal Opinion to EPSCO based on ES Pres mandate

From Q3 2023 to Q1 2024
"Informal Working Group on Social Investment" established and led by the Spanish and Belgian Presidencies

In 2024:
Possible “Jumbo” EPSCO-ECOFIN Council