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## The Role of the Social Partners in the European Semester: Key Stakeholders or Mere Theory?

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### *1. Introduction*

EU economic governance is an ever-changing and expanding system, used by the EU to steer the member states' financial, economic and social policy. It has proven to be a rather controversial method, which often has more actual impact than the at-first-sight soft-law approach of the recommendations implies. This contribution's intention is not to explain the workings or structure of the European Semester, not to look at its (in the past often negative) impact on social policy. The purpose is to define the theoretical and actual involvement of the social partners at the European and national level in the European semester from a legal perspective. In which way is this involvement legally cemented or based on merely good practices or guidelines?

Since the proclamation of the European Pillar of Social Rights in 2017, the European Semester should no longer have been used as a tool to impose flexible labour markets and decrease employment law and social security protection. Instead, it would be used as an instrument to guide EU Member

States to the Walhalla of the Social Pillar. This was made explicit by a significant increase in social country-specific recommendations, promoting social dialogue and collective bargaining, supporting adequate minimum wages and highlighting the importance of decent working conditions. The involvement of social stakeholders, aka the social partners, is a key element in this turnaround. However, the question is whether the EU and the member states are legally obliged to involve the social partners, or that this remains a mere recommendation.

In the first part, we will look at the EU itself, and how it involves social partners at the European level of the European Semester in different instruments of economic governance. Next, we move to the national level. Based on a study of the national reform programmes of 2023, using an imperfect method of looking at the actual references by the programmes to the social partners themselves, we try to see which member states dedicate significant importance to their involvement and which do not. Finally, we take a look at recent evolutions and reforms, to see whether an increase in the role of social partners can be expected or not.

This contribution is based on the research done for the author's intervention during the 21st International Conference in Commemoration of Professor Marco Biagi in March 2024 in Modena.

## 2. *Involvement of the social partners in economic governance at European level*

### 2.1. *Consultation of European social partners*

The European Semester, a cycle of economic and fiscal policy coordination within the EU, was established under Regulation (EU) No 1175/2011, which amended prior legislation to enhance economic oversight and coordination<sup>1</sup>. This regulation is part of the EU's "Six-Pack" legislation aimed at enhancing economic governance and fiscal stability within the EU, specifically in relation to the European Semester and the coordination of national economic policies. According to Article 2a(4) of this regulation:

<sup>1</sup> European Union. Regulation (EU) No 1175/2011 of the European Parliament and of the Council of 16 November 2011 amending Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. Official Journal of the European Union, L 306, 23 November 2011, 12-24.

“Relevant stakeholders, in particular the social partners, shall be involved within the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the Treaty on the Functioning of the European Union (TFEU) and national legal and political arrangements”.

This rather general provision emphasizes the EU’s commitment to consulting social partners, which include trade unions and employer associations, ensuring that their perspectives are considered in shaping the main policy priorities of the EU’s economic governance processes. The provision leaves a lot of room for the Commission to shape the consultation process. At the time of its adaptation, the financial and economic crisis was still raging throughout the EU. In fact, the crisis was one of the main reasons for the shaping of the European semester. Alas, in this crisis mode, the Commission often did not really involve the European social partners and if it did, it often ignored their message.

In March 2015, the European Commission launched a renewed effort to enhance social dialogue at the EU level, aiming to deepen the involvement of social partners in economic and social policymaking<sup>2</sup>. This initiative culminated in the 2016 Joint Statement on the New Start for Social Dialogue, which reinforced the role of European social partners in the European Semester<sup>3</sup>. Key developments included first a consultation at key points: the European Commission committed to consult the social partners at pivotal stages of the European Semester, allowing their input on significant policy issues, especially on employment and social issues. Second, the new approach introduced structured consultation formats that encouraged more active engagement from social partners, thus increasing their influence over the formulation of both policy and legislative measures within the EU.

Each year, the European Commission invites EU-level social partners to provide direct input for the Autumn Package – a key phase of the European Semester. This package includes the Annual Sustainable Growth Strategy (ASGS)<sup>4</sup>, which sets out the overarching economic priorities of the EU

<sup>2</sup> European Commission, *A New Start for Social Dialogue – High-Level Conference*, 5 March 2015, 2015, <https://ec.europa.eu/social/BlobServlet?docId=16099&langId=en>.

<sup>3</sup> European Commission, *A New Start for Social Dialogue – Statement of the Presidency of the Council of the European Union, the European Commission, and the European Social Partners*, 27 June 2016.

<sup>4</sup> European Commission, *European Semester Autumn Package*, [https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/european-semester-autumn-package\\_en](https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/european-semester-autumn-package_en).

for the year ahead (see further). As part of this process, in September, before the publication of the ASGS, the Commission meets with social partners to gather their perspectives on proposed economic policies and priorities, ensuring that their views are integrated into the framework of the European Semester<sup>5</sup>. However, this meeting is not enshrined in any formal rule but merely developed by practice in an effort to involve the EU-level social partners, even if it can be seen as an implementation of art. 2a(4) of Regulation(EU) No 1175/2011. Although this practice has for now ensured the social partners a seat at the table, this does not guarantee their close involvement for the future. The Commission could legally opt to diminish or alter the consultation of the social partners.

Through these mechanisms, European social partners have a structured role in shaping EU economic policy, contributing insights and recommendations that reflect the interests and concerns of workers, employers, and broader social constituencies.

### 2.2. Social partner involvement for the ASGS

As seen, in practice, the European social partners are consulted by the Commission during the September meetings and the social partners usually submit or even publish their opinion (usually separately). However, there is also a more formal consultation process.

As said, the Annual Sustainable Growth Survey (ASGS), is a cornerstone document within the European Semester’s “Autumn Package”. As the primary policy instrument in this cycle, the ASGS provides a comprehensive analysis of the latest trends in economic and social policies across the EU and sets out overarching priorities for the European Union. It guides Member States on policy directions for the upcoming year, establishing economic and social goals that are aligned with the EU’s sustainable growth agenda.

<sup>5</sup> Some EU social partners also publish their views on the ASGS, see e.g. BusinessEurope, SME United and SGI Europe, *Annual Sustainable Growth Strategy 2025 Social Partners’ Consultations – Employers’ views*, 10 October 2024, [https://www.business-europe.eu/sites/buseur/files/media/position\\_papers/social/2024-10-14\\_joint\\_employers\\_contribution\\_consultations\\_asgs\\_2025\\_october\\_2024\\_final.pdf](https://www.business-europe.eu/sites/buseur/files/media/position_papers/social/2024-10-14_joint_employers_contribution_consultations_asgs_2025_october_2024_final.pdf); European Trade Union Committee for Education, *ETUCE’s Contribution to the ETUC Position on the Annual Sustainable Growth Survey 2025*, 16 October 2024, <https://www.csee-etu-ce.org/en/news/etu-ce/5557-etuce-s-contribution-to-the-etuc-position-on-the-annual-sustainable-growth-survey-2025>.

The ASGS acts as a platform for coordination among various EU institutions, fostering a cohesive approach to policy-making across Member States. Once published, the ASGS is transmitted to key EU bodies, including the European Parliament (EP), the European Council, the Council of the EU, the European Central Bank (ECB), the European Economic and Social Committee (EESC), the Committee of the Regions (CoR), and the European Investment Bank (EIB). This dissemination is meant to underscore the collaborative nature of the European Semester, aiming to ensure, at least formally, that all relevant actors contribute to and align with the EU's policy trajectory.

One crucial aspect of this process is the formal consultation of social partners, particularly within the European Economic and Social Committee (EESC). The consultation is based on art. 304 TFEU, which mandates that the EESC provides opinions on issues of interest to the EU, particularly in areas related to economic, social, and employment policies. The EESC represents organized civil society at the EU level, and its mandate includes promoting the active involvement of social partners – namely the workers' group, the employers' group, and the civil society group. These groups are fundamental stakeholders, representing a broad spectrum of societal interests and priorities, which are essential for inclusive economic governance.

Within the EESC, the Section for Economic and Monetary Union and Economic and Social Cohesion plays a vital role. This section is responsible for reviewing the ASGS and publishing an official opinion on it, which serves as an input into the European Semester process. This opinion integrates insights from various social partners, providing a balanced and representative perspective on the economic and social challenges facing the EU. By contributing this analysis, the EESC aims to enhance the legitimacy and responsiveness of EU economic governance. The EESC typically adopts its opinion on the ASGS during its February plenary session each year. For instance, the opinion on the ASGS 2024 was adopted at the plenary session held on February 14–15, 2024<sup>6</sup>.

The 2024 ASGS of November 2023 also reaffirmed the significance of social dialogue and stakeholder involvement in the European Semester process, emphasizing that:

<sup>6</sup> European Economic and Social Committee, *Annual Sustainable Growth Survey 2024*, Official Journal of the European Union, C 123, 14 February 2024, pp. 12–24.

“The involvement of the European Parliament, the Council, social partners, and other key stakeholders will continue to be a key feature. Close cooperation is vital, achieved through regular meetings at key Semester and Recovery and Resilience Facility (RRF) stages. Member States are urged to actively engage with stakeholders, including social partners, local and regional authorities, as well as relevant civil society organisations”<sup>7</sup>.

This statement highlights the European Commission’s commitment to fostering an inclusive governance process by integrating feedback from diverse societal actors. It underscores the importance of maintaining regular meetings and close cooperation at critical stages of the Semester and RRF processes. By encouraging Member States to actively involve social partners, local and regional authorities, and civil society organizations, the Commission seeks to ensure that policy decisions reflect a broad spectrum of perspectives and are responsive to the needs of the population.

On paper, the social partners are formally involved through the EESC and the Commission is further promoting social partner involvement in the European Semester by encouraging the Member States and itself to do so in the ASGS document. On a critical note, one could wonder what the actual impact of the EESC is. It is unclear whether the Commission really takes the opinion into account when drafting the country reports or the country specific recommendations. Presumably, the September meeting between the social partners and the Commission is more important, as this input is able to shape the content of the ASGS itself while the formal EESC opinion only arrives months later.

### 2.3. *The role of social partners in the Alert Mechanism Report and the Macroeconomic Imbalance Procedure (MIP)*

The Alert Mechanism Report (AMR) initiates the annual cycle of the Macroeconomic Imbalance Procedure (MIP)<sup>8</sup>, which is a framework within

<sup>7</sup> European Commission, Annual Sustainable Growth Survey 2024. COM(2023) 901 final.

<sup>8</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances, *Pb.L.* 23 November 2011, no. 306, 25–32; Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area, *Pb.L.* 23 November 2011, no. 306, 8–11; BEKKER, KLOSSE,

the European Semester aimed at identifying and addressing macroeconomic imbalances across EU Member States. These imbalances can include vulnerabilities related to external deficits, excessive debt, or other risks that could potentially undermine economic stability within the EU. The MIP seeks to monitor, prevent, and correct such imbalances, supporting the EU's broader objective of sustainable and balanced growth.

The AMR is underpinned by Regulation (EU) No 1176/2011, which establishes the framework for monitoring and correcting macroeconomic imbalances<sup>9</sup>. Article 3(4) of this regulation outlines the Commission's obligation to ensure that the AMR is shared with key EU bodies, including the European Parliament, the Council, and the European Economic and Social Committee (EESC). The article reads:

“The Commission shall transmit the annual report to the European Parliament, the Council, and the European Economic and Social Committee in a timely manner”.

This requirement underscores the importance of transparency and communication among EU institutions regarding macroeconomic risks and the necessity for collective awareness of economic vulnerabilities. However, despite the procedural involvement of the EESC, the regulation does not mandate a formal EESC opinion on the AMR. As such, while the EESC receives the report, it does not traditionally issue an official response or report on it.

A notable feature of the AMR process, as it currently stands, is the limited formal involvement of social partners. While the AMR is a critical document within the MIP framework, aimed at identifying potential economic vulnerabilities, social partners are not explicitly mentioned within the AMR itself. This lack of direct reference to social partners suggests that, unlike other

*EU Governance of Economic and Social Policies: Chances and Challenges for Social Europe*, in *EJSL*, 2013, 2, pp. 106–108; BUTI, CARDOT, *The EMU Debt Crisis: Early Lessons and Reforms*, in *JCMS*, 2012, vol. 50, 6, pp. 906–909; ESSL, STIGLBAUWER, *Prevention and Correction of Macroeconomic Imbalances: the Excessive Imbalances Procedure*, in *MPE*, 2011, vol. 4, 11, pp. 99–112; OBERNDORFER, *A new economic governance through secondary legislation? Analysis and constitutional assessment: from New Constitutionalism, via Authoritarian Constitutionalism to Progressive Constitutionalism*, in BRUUN, LÖRCHER, SCHÖMANN (eds.), *The economic and financial crisis and collective labour law in Europe*, Hart Publishing, 2014, pp. 43–46; SKULOVA, *Macroeconomic imbalance procedure in the Euro area: ex post analysis*, in *ESJ*, 2015, 2, pp. 161–163.

<sup>9</sup> Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances, *Pb.L.* 23 November 2011, no. 306, 25–32.

aspects of the European Semester where social dialogue is explicitly encouraged, the AMR remains a largely technical document focused on quantitative assessments rather than stakeholder engagement.

Nonetheless, social partners at the EU level, including employer organizations and trade unions, are consulted periodically on broader European Semester processes, which indirectly includes aspects of the MIP cycle. These consultations allow social partners to voice their concerns and perspectives on the general economic direction and the implications of policy recommendations. However, these consultations are not integrated into the AMR itself, and social partners have limited formal influence on the identification of macroeconomic imbalances at the outset of the MIP cycle.

The absence of a formal EESC report or direct social partner involvement in the AMR process reflects a gap in the integration of social dialogue within the MIP framework. While the MIP's focus on technical economic indicators necessitates a data-driven approach, the lack of structured input from social partners may limit the consideration of social and labour market dimensions in the identification of economic risks. Given that macroeconomic imbalances can have profound effects on employment, wages, and social cohesion, integrating social partners more substantively into the MIP process could enhance the responsiveness and social legitimacy of EU economic governance.

### 3. *The role of social partners in the Joint Employment Report (JER) within the European Semester*

The Joint Employment Report (JER) is a key component of the European Semester, serving as a monitoring tool that assesses social and employment trends across the EU<sup>10</sup>. This report is mandated by Article 140 of the Treaty on the Functioning of the European Union (TFEU), which provides the legal basis for the coordination of employment policies among Member States. Article 140 TFEU outlines the EU's role in facilitating cooperation on employment policies, setting the stage for the JER to evaluate

<sup>10</sup> JACOBSSON, *Soft regulation and the subtle transformation of states: the case of EU employment policy*, in *JESP*, 2004, vol. 14, 4, p. 358; MOSCHER, TRUBEK, *Alternative Approaches to Governance in the EU: EU Social Policy and the European Employment Strategy*, in *JCMS*, 2003, vol. 41, 1, p. 69.



each Member State's progress in aligning with the Guidelines for the Employment Policies of the Member States.

The JER is a collaborative assessment tool that highlights significant achievements and challenges in the EU's employment and social sectors. It not only reflects on the progress made by Member States but also evaluates the effectiveness of their actions in line with the EU's employment policy objectives. A prominent feature of the JER is its reliance on a scoreboard of indicators drawn from the European Pillar of Social Rights (EPSR). This scoreboard provides a quantitative basis for monitoring progress on social and employment rights, covering domains such as fair working conditions, social protection, and access to the labour market.

The European Commission takes the lead in drafting the JER, which is subsequently reviewed and approved as a formal proposal. This process involves an in-depth analysis of employment and social data from all Member States, reflecting on trends and developments relevant to achieving EU employment objectives. Once approved, the JER is presented to other EU institutions, including the European Parliament and the Council, as part of the European Semester's broader framework of economic and social coordination.

Despite the comprehensive nature of the JER and its importance within the European Semester, there is no formal opinion from the European Economic and Social Committee (EESC) associated with the JER. While the EESC is a key consultative body representing social partners, civil society organizations, and other stakeholders, it does not produce an official response to the JER, limiting the direct input of these groups in the JER's findings and recommendations.

In the text of the 2024 JER<sup>11</sup>, an interesting dynamic emerges regarding the involvement of social partners. Although the report does not explicitly show signs of direct consultation with social partners during its preparation, it does frequently reference social partners and their contributions to employment and social policies. This frequent mention underscores the importance of social partners in implementing and supporting the employment guidelines across Member States. For instance, the report highlights various

<sup>11</sup> European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Joint Employment Report 2024: Commission proposal, Publications Office of the European Union, 2023, <https://data.europa.eu/doi/10.2767/17157>.

national-level initiatives where social partners have collaborated with governments to address employment challenges, improve working conditions, and support social protection reforms.

However, the absence of an official consultation mechanism or formal opinion from the EESC in the drafting of the JER indicates that the role of social partners in shaping the report's content is limited. Social partners, while acknowledged for their role at the national level, do not have a structured avenue to influence the report's recommendations or assessments at the EU level. This contrasts with other European Semester documents where social partners are directly consulted or formally involved, such as the Annual Sustainable Growth Survey (ASGS).

#### 4. *Involvement of the social partners in economic governance at national level*

In general, the national social partners have four significant opportunities to influence the EU member states and the EU Institutions during the European semester. First, the social partners can have an impact on the EU member states when they are drafting and submitting their national reform programmes. As member states usually submit their programmes in April or May, the early spring is the ideal moment for EU member States to involve the social partners or for the social partners to seek more involvement. As the social partners are closer to the national authorities than to the EU institutions, this is the most important involvement that they usually can obtain. Second and third, in the end of May the Commission publishes the Country Reports and the Country Specific Recommendations addressed to the member states. Fourth, around the end of June, the Council approves the Country Specific Recommendations, after which the European Semester starts all over again in September. Below, we will analyse the possible social partner involvement in more detail.

##### 4.1. *National Reform Programmes*

The National Reform Programmes (NRPs) are key documents submitted annually by EU Member States as part of the European Semester<sup>12</sup>.

<sup>12</sup> Art. 121 3 and 148, 3 TFEU; DEGRYSE, *The new European Governance*, in *ETUI Working Paper*, 2012, Brussel, ETUI, 2012, pp. 40-41.

These programmes outline each country's specific plans to address economic and social challenges and implement reforms recommended by the European Commission in the year before.

There are no fixed rules for the member states how to draft these NRPs, neither how they should involve social partners. Of course, there is some unofficial guidance from the Commission (which is not public), and the Member states can ask the assistance of the Technical Support Instrument to draft and design their NRP<sup>13</sup>. In general, Member States are advised to involve stakeholders such as regional and local governments, social partners, and civil society in drafting the NRPs<sup>14</sup>. Therefore, an informal recommendation (or template) exists which asks Member States to report on how they have actually involved and consulted these stakeholders. Therefore, a method of analysing the involvement of the social partners in the drafting of the NRPs is to study the text and to see if the social partners are mentioned, and secondly whether the NRP clarify whether the the social partners were involved.

Our research has focused on the NRPs of the 27 Member States for 2023<sup>15</sup>. The involvement of social partners in the preparation of National Reform Programmes (NRPs) is a complex phenomenon that is difficult to quantify and analyse. Several factors contribute to the challenges in obtaining concrete data or indications of the extent and quality of social partner involvement.

One major challenge stems from the wide variation in how NRPs are drafted and presented by Member States. These differences make it difficult to compare or extract consistent data about social partner engagement. The length and format of NRPs vary significantly, ranging from e.g. Estonia's concise summary<sup>16</sup> to France's extensive documents exceeding

<sup>13</sup>European Commission, Technical Support Instrument (TSI), [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi\\_en](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en).

<sup>14</sup> This also indirectly follows from the text of the Country Specific Recommendations, which usually asks the Member States to involve the social partners in their reforms (see further).

<sup>15</sup> European Commission, 2023 European Semester: National Reform Programmes and Stability/Convergence Programmes, [https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/2023-european-semester-national-reform-programmes-and-stabilityconvergence-programmes\\_en](https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/2023-european-semester-national-reform-programmes-and-stabilityconvergence-programmes_en).

<sup>16</sup> Estonia, Estonia 2035, Action plan of the Government of the Republic, 11 May 2023, [https://commission.europa.eu/document/download/39f8eb27-9bb8-47d6-a452-16f1620e2db3\\_en?filename=Eesti%202035\\_\\_tegevuskava\\_ENG\\_30.06\\_o.pdf](https://commission.europa.eu/document/download/39f8eb27-9bb8-47d6-a452-16f1620e2db3_en?filename=Eesti%202035__tegevuskava_ENG_30.06_o.pdf).

200 pages<sup>17</sup>. Some NRPs include dedicated annexes focusing on social partners, such as Austria<sup>18</sup> and the Netherlands<sup>19</sup>, while others provide minimal or implicit references to their role. With 27 EU Member States, NRPs are presented in different languages, and social partner involvement may be described using varying terminologies or organisational frameworks. Synonyms or ambiguous references to committees, councils, or stakeholder groups can obscure the specific involvement of social partners. Also, translation inconsistencies can further complicate data extraction and cross-country analysis, as we had to analyse non-English documents through translations provided by AI-powered translation tools.

Furthermore, social partner involvement is not a uniform concept and can range from informal consultation to active co-drafting of reforms. The varying degrees of involvement make it challenging to assess and compare the quality or impact of their contributions. In some cases, social partners may be involved through structured dialogues, while in others, their participation might be limited to informal or peripheral feedback.

Next, certain NRPs emphasize the implementation of overarching European policies, such as the European Pillar of Social Rights (EPSR). While this focus is crucial, it can overshadow specific details about the procedural aspects of social partner involvement, making it harder to isolate their role.

Finally, the absence of a standardised framework or template for documenting social partner involvement in NRPs means that Member States have significant discretion in how (or whether) they report these contributions. This lack of uniformity further complicates efforts to evaluate their role systematically.

Taking into account the methodological difficulties explained above, our research came to the following results, which might not be 100% exact, but give a good indication:

<sup>17</sup> France, Programme National de Réforme 2023, avril 2023, [https://commission.europa.eu/document/download/85627134-0692-4f38-b196-9bc62d4931fa\\_fr?filename=2023-France-NRP\\_fr.pdf&prefLang=en](https://commission.europa.eu/document/download/85627134-0692-4f38-b196-9bc62d4931fa_fr?filename=2023-France-NRP_fr.pdf&prefLang=en).

<sup>18</sup> Austria, Social partner activities 2022/2023, Annex 1 to the NRP, [https://commission.europa.eu/document/download/b3fc2c07-ecd9-4b26-89a5-6a0347cee1b2\\_en?filename=56\\_11\\_Annex%202.pdf](https://commission.europa.eu/document/download/b3fc2c07-ecd9-4b26-89a5-6a0347cee1b2_en?filename=56_11_Annex%202.pdf).

<sup>19</sup> Sociaal Economische Raad (Netherlands), Bijdrage van de Sociaal-Economische Raad aan het Nationaal Hervormingsprogramma 2023, Annex 4 to the NRP, [https://commission.europa.eu/document/download/28aa3a50-8aeb-409d-a463-df4c06e29fc1\\_nl?filename=2023\\_Netherlands\\_nrp\\_annex\\_4\\_nl.pdf&prefLang=en](https://commission.europa.eu/document/download/28aa3a50-8aeb-409d-a463-df4c06e29fc1_nl?filename=2023_Netherlands_nrp_annex_4_nl.pdf&prefLang=en).

Country	Social partners mentions	Social partners consulted?
Austria	40	Yes
Belgium	21	Yes
Bulgaria	0	No
Croatia	6	Minimal/unclear
Cyprus	13	No
Czechia	1	Unclear
Denmark	0	Expert Committee?
Estonia	0	Unclear
Finland	6	Yes
France	33	Yes
Germany	7	Yes
Greece	10	Unclear (possibility)
Hungary	7	No
Ireland	12	Yes
Italy	0	No
Latvia	8	Yes
Lithuania	3	Yes
Luxembourg	112	Yes
Malta	4	Yes
Netherlands	142	Yes
Poland	5	Yes
Portugal	3	Unclear
Romania	5	Yes
Slovenia	18	Yes
Slovakia	0	No
Spain	5	Yes
Sweden	40	Yes

The table above indicates for every EU Member State the number of mentions of the social partners (taking into account as much variation of these references as possible) in the NRPs, including all the annexes to the NRPs. Next, the table indicates whether it is clear from the NRP that the social partners were consulted or not.

Regarding the number of mentions, we see that most NRPs of 2023 did mention the social partners, but there is an enormous variation among the member states. The Netherlands and Luxembourg count the most mentions, but that is also logical as these countries have attached specific annexes to their NRP which includes the consultation of the social partners. Also Sweden, Austria, France, and Belgium Slovenia have a high to relatively high number of mentions of the social partners. On the other side of the spectrum, five countries did not mention the social partner at all in their NRPs. This mostly concerns Eastern-European Member States, but also includes Italy and Denmark. Especially the fact that Denmark did not mention the social partners can be regarded as peculiar, as this Member States is known for a strong tradition of social dialogue<sup>20</sup>. However, this could possibly explained by the strong autonomy of the social partners towards the government (although the same is often said about Sweden)<sup>21</sup>. Most Eastern-European and Southern-European have a very low to relatively low number of mentions of the social partners. The exceptions are Slovenia (18) and Greece (10). Of course, the weaker social dialogue tradition in Eastern-Europe<sup>22</sup> is not a new phenomenon, and is thus also reflected in our findings. In general, only 10 out of 27 Member States counted more than 10 social partner mentions in their NRPs. This seems to indicate that, in general, there

<sup>20</sup> HANSEN, FABRICIUS, *Industrial relations and social dialogue. Denmark: Developments in working life*, in *Working paper*, Eurofound, 2023. <https://www.eurofound.europa.eu/en/publications/eurofound-paper/2024/denmark-developments-working-life-2023>; ISHIKAWA, *Key features of National Social Dialogue: a social dialogue resource book*, International Labour Office, 2003, <https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=467c0879b39f1005f3eb641aec9b8e35a56865d2>.

<sup>21</sup> See e.g. REFLUND, LIND, *Wage autonomy, political reforms and the absence of social pacts in Denmark*, in EBBINGHAUS, WEISHAUP (eds.), *The Role of Social Partners in Managing Europe's Great Recession. Crisis Corporatism or Corporatism in Crisis?*, Routledge, 2021, pp. 75-95.

<sup>22</sup> GRESKOVITS, *Ten years of enlargement and the forces of labour in Central and Eastern Europe*, in *ERLR*, 2015, 21, 3, pp. 269-284; MAILAND, DUE, *Social dialogue in Central en Easter Europe: present state and future development*, in *EJIR*, 2024, vol. 11, 2, pp. 179-197; SCHNABEL, *Union Membership and Collective Bargaining: Trends and Determinants*, in ZIMMERMANN (ed.), *Handbook of Labor, Human Resources and Population Economics*, Springer, 2020.

is room for improvement for the importance that the NRPs award to these important stakeholders.

Of course, a purely quantitative approach does not say much on itself. It is not because the social partners are mentioned that they are actually involved and consulted in the drafting of the NRP. Most Member States (but definitely not all of them) have included a chapter in their NRP dedicated to the consultation of stakeholders. If this is the case, it is relatively easy to find out whether the social partners were consulted. If there is no chapter dedicated to stakeholder involvement, we tried to discern the involvement or consultation from the general text of the NRPs. In any case, the majority of the Member States, 16 out of 27, clearly indicated to have consulted and involved the social partners in the drafting of their NRP. In 6 instances, the involvement was not clear, and for 5 Member States, there was no sign of involvement. The worst pupils seem to be Bulgaria and Italy, who neither mentioned the social partner nor mentioned any involvement. Again, most Member States with a lack of social partner involvement belong to the Eastern-European group. Finally, it is also interesting to notice that sometimes Member States have mentioned the social partners several times, but did not indicate that they were involved or consulted (e.g. Cyprus and Hungary). As a conclusion, also for this indicator, we could state that there is certainly room for improvement.

#### *4.1. Involvement of the national partners by the EU Institutions*

The EU Commission publishes at the end of May (or sometimes June) the Country Reports and the Country Specific Recommendations (CSRs).

Country reports provide a detailed analysis of the economic, social, and fiscal situation in each EU Member State<sup>23</sup>. Taking a look at the Country reports for 2023<sup>24</sup> and 2024<sup>25</sup>, the documents do not mention any involvement of stakeholders, including social partners. Even if the Commission bases

<sup>23</sup> European Commission, *European Semester Spring Package*, [https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/european-semester-spring-package\\_en](https://commission.europa.eu/business-economy-euro/european-semester/european-semester-timeline/european-semester-spring-package_en).

<sup>24</sup> European Commission, *2023 European Semester: Country Reports*, 24 May 2023, [https://economy-finance.ec.europa.eu/publications/2023-european-semester-country-reports\\_en](https://economy-finance.ec.europa.eu/publications/2023-european-semester-country-reports_en).

<sup>25</sup> European Commission, *2024 European Semester: Country Reports*, 19 June 2024, [https://economy-finance.ec.europa.eu/publications/2024-european-semester-country-reports\\_en](https://economy-finance.ec.europa.eu/publications/2024-european-semester-country-reports_en).

their information on contacts with the national social partners, there is no official trace of this, neither is there any legal obligation to do so. However, there seems to be an informal practice of the national social partners by the Commission. At least in Belgium, the National Labour Council and the Central Economic Council are informally consulted by the Commission<sup>26</sup>. Unfortunately, it was not possible to find out whether a similar consultation takes place in the other Member States within the scope of our research.

The legal basis for the European Semester, particularly Articles 121 and 148 of the Treaty on the Functioning of the European Union (TFEU), provides a framework for economic coordination and employment policies but offers limited explicit mention of social partner involvement. While Article 148 acknowledges the role of the European Economic and Social Committee (EESC) as a consultative body, the direct engagement of social partners in shaping CSRs is not mandated by EU law. This has led to variability in the extent and transparency of their involvement across Member States.

In 2015, the Commission launched a renewed commitment to social dialogue, culminating in the 2016 Joint Statement on the New Start for Social Dialogue<sup>27</sup>. This initiative sought, amongst other purposes, to strengthen the engagement of social partners in EU governance processes, including the European Semester. The European Pillar of Social Rights (EPSR), introduced in 2017, further bolstered the role of social partners within the Semester<sup>28</sup>. Its implementation, particularly through the integration of social objectives into the European Semester, has encouraged a stronger focus on

<sup>26</sup> This was confirmed to the author by the President of the National Labour Council.

<sup>27</sup> European Commission, *A new start for social dialogue*, Publications Office of the European Union, 2016, p. 11; European Commission, *European Social Dialogue*, E-newsletter, 28 June 2016, no. 2.

<sup>28</sup> European Commission, *Social summit for fair jobs and growth: strengthening the social dimension of Europe*, press release, 16 November 2017, IP/17/4643; European Parliament, Council of the European Union and European Commission, *European Pillar of Social Rights*, Publications Office of the European Union, 2017, p. 23; European Council, *Conclusions of 14 December 2017*, <http://data.consilium.europa.eu/doc/document/ST-19-2017-REV-1/en/pdf>; European Commission, *Establishing a European Pillar of Social Rights*, 26 April 2017, SWD(2017) 201 final; DEAKIN, *What Follows Austerity? From Social Pillar to New Deal*, in VANDENBROUCKE, BARNARD, DE BAERE (eds.), *A European Social Union after the Crisis*, Cambridge University Press, 2017, pp. 192-210; LÖRCHER, SCHÖMANN, *The European pillar of social rights: critical legal analysis and proposals*, in *Report 139*, 2016, p. 119; RASNACA, *Bridging the gaps or falling short? The European Pillar of Social Rights and what it can bring to EU-level policymaking*, in *ETUI working paper*, ETUI, 2017, 5, p. 44.



collective bargaining and social dialogue, particularly in Eastern European countries. Many CSRs since 2015 have explicitly called for the strengthening of national collective bargaining frameworks and social dialogue structures, reflecting a recognition of their importance for labour market stability and inclusivity (although there have been less and less specific CSRs targeting social dialogue in the later years)<sup>29</sup>.

While the European Commission appears to consult national social partners where feasible, these efforts are not very transparent. The absence of a formalized framework for such consultations means that their influence can vary significantly across Member States. This inconsistency risks undermining the potential contributions of social partners to the policy-making process.

The 2023 CSRs reiterated the importance of involving social partners alongside local and regional authorities and other stakeholders<sup>30</sup>. They emphasize that this engagement is crucial not only for the implementation of Recovery and Resilience Plans (RRPs) but also for broader economic and employment policies. Ensuring “broad ownership of the overall policy agenda” requires systematic and effective involvement of social partners, as stated explicitly in the recommendations<sup>31</sup>. Also, the 2024 CSRs encourage the EU Member States to involve relevant stakeholders, explicitly mentioning the social partners, but the CSRs do not reveal how the Commission itself has involved these stakeholders as well<sup>32</sup>.

The CSRs are approved by the Council in June or July. Usually, the Council approves the proposed recommendations by the Commission. However, there have been some rare instances where the Council has made some

<sup>29</sup> RAINONE, *The 2022 Country Specific Recommendations in the social field: quo vadis, EU recovery? An overview and comparison with previous European Semester cycles*, in *ETUI working paper*, ETUI 2022, 08, p. 20; RAINONE, *An overview of the 2020-2021 country-specific recommendations (CSRs) in the social field. The impact of Covid-19*, in *ETUI Background Analysis*, Brussels, ETUI, 2020, I, p. 15.

<sup>30</sup> European Commission, 2023 European Semester: Country Specific Recommendations / Commission Recommendations, 24 May 2023 [https://commission.europa.eu/publications/2023-european-semester-country-specific-recommendations-commission-recommendations\\_en](https://commission.europa.eu/publications/2023-european-semester-country-specific-recommendations-commission-recommendations_en).

<sup>31</sup> See e.g. the 30th consideration of the CSRs for Belgium of 2023.

<sup>32</sup> See the 5th consideration of the CSRs of 2024; European Commission, 2024 *European Semester: Country Specific Recommendations / Commission Recommendations*, 19 June 2024, [https://commission.europa.eu/publications/2024-european-semester-country-specific-recommendations-commission-recommendations\\_en](https://commission.europa.eu/publications/2024-european-semester-country-specific-recommendations-commission-recommendations_en).

changes to the draft CSRs proposed by the Commission after the targeted Member State managed to convince the other Member States to do so. As an example, we refer to the case of Sweden in 2012. In its draft recommendations, the Commission had indicated that more flexibility at the lower end of the wage scales and a differentiation in labour protection would benefit the employment of young workers<sup>33</sup>. The Swedish trade unions were alarmed about this intervention in their wage policy<sup>34</sup> and, with the help of the Swedish Government, were able to obtain that the final CSRs 2012, as approved by the Council, did not include any mention of the flexibilisation of wages for young workers<sup>35</sup>. In particular, the Council recognised that Sweden has a wage formation system in which the social partners have the power to set wages and that government intervention would not be in line with the Swedish system so encouraging greater flexibility in wages was considered inappropriate<sup>36</sup>. National stakeholders thus can have a significant impact through the lobbying of their own government. But of course, the social partners are not as powerful as in Sweden in every Member States and not every government will be as willing to go as far for their demands. It is safe to say that this sort of involvement remains a rare sight.

<sup>33</sup> EU Commission, CSRs for Sweden 2012–2015, 30 May 2012, COM (2012)328 def., recommendation 3; ANDERSEN, IBSEN, ALSOS, NERGAARD, SAURAMO, *Changes in wage policy and collective bargaining in the Nordic Countries*, in VAN GYES, SCHULTEN (eds.), *Wage bargaining under the new economic governance, alternative strategies for inclusive growth*, Brussels, ETUI, 2015, pp. 152–153.

<sup>34</sup> DANIELSSON, JOHNSON, *The European Union wants to lower the Swedish wages*, in *Europaportalen*, 1 June 2012, [www.europaportalen.se/2012/06/eu-kommissionen-vill-sanka-svensk-loner](http://www.europaportalen.se/2012/06/eu-kommissionen-vill-sanka-svensk-loner).

<sup>35</sup> Council of the EU, Recommendation of 10 July 2012, CSR Sweden, Ph.C. 24 July 2012, no. 219, 85–87, a recommendation 3; CLAUWAERT, *The country-specific recommendations (CSRs) in the social field; An overview and initial comparison, Background analysis*, in *ETUI*, 2013, 2, p. 14; DANIELSSON, *Small union success before the holiday*, in *LO-blog*, 10 July 2012, <http://loblog.lo.se/allmant/liten-facklig-framgang-infor-semestern/>; ETUC, *The ETUC position on the current economic governance and Semester process, with regard to their effects on collective bargaining and wage-setting mechanisms*, Final document adopted at the Annual Collective Bargaining Summer School, Firenze, 10–11 June 2013, p. 2, [https://www.etuc.org/sites/default/files/document/file/2018-06/ANNEX\\_1\\_and\\_2\\_for\\_Item\\_12\\_2.pdf](https://www.etuc.org/sites/default/files/document/file/2018-06/ANNEX_1_and_2_for_Item_12_2.pdf).

<sup>36</sup> Council of the EU, Explanations of modifications to Commission recommendation for the Country Specific Recommendations, no. 11941/12, Brussel, 6 July 2012, 11, <https://data.consilium.europa.eu/doc/document/ST-11941-2012-INIT/en/pdf>.

### 5. *Latest developments and upcoming reforms*

In the later years of the first von der Leyen Commission, several additional actions were taken to boost social partner involvement. First, the Commission Communication on Strengthening Social Dialogue of 25 January 2023<sup>37</sup> underscored the EU's commitment to embedding social dialogue into the fabric of its policy-making processes. Specifically, the Communication acknowledges the need for structured dialogues with social partners at critical junctures of the European Semester cycle. By institutionalizing these engagements, the European Commission aims to ensure that social dialogue becomes a central element of economic and employment policy coordination. However, while this Communication reinforces the EU's rhetorical support for social dialogue, its practical impact depends on the extent to which Member States adopt these practices at the national level and how effectively social partners can influence key decisions.

Building on the Commission's Communication, the Council Recommendation on Strengthening Social Dialogue of 12 June 2023<sup>38</sup> also explicitly called for the systematic, meaningful, and timely involvement of social partners in policy-making. This includes not only employment and social policies but also economic and other public policies where relevant. Importantly, the Recommendation emphasizes the need for such involvement within the context of the European Semester. If effectively implemented, this Recommendation has the potential to standardize practices across the EU, ensuring that social partners have a stronger voice in shaping policies that directly affect labour markets and social systems. However, achieving this goal will require Member States to overcome structural barriers, such as weak traditions of social dialogue or limited institutional capacity.

Further, the 2024 reform of the Stability and Growth Pact and Six Pack rules introduces another dimension to the evolving role of social partners<sup>39</sup>.

<sup>37</sup> European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Strengthening social dialogue in the European Union: harnessing its full potential for managing fair transitions, Brussels 25 January 2023, COM (2023) 40 final.

<sup>38</sup> Council Recommendation on Strengthening Social Dialogue of 12 June 2023, C/2023/1389, OJ 6 December 2023.

<sup>39</sup> Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97, OJ L, 2024/1263, 30.4.2024;

While the social partners were consulted on this reform, the reform itself does not contain explicit rules about an increased social partner involvement. The ETUC criticised the reform, stating “The reform underestimates the relevance of social dialogue and threatens collective bargaining. Social partners are listed as stakeholders, yet the SGP does not value social dialogue and collective bargaining when defining investments and reforms or accompanying economic and industrial transformations”<sup>40</sup>. This omission raises concerns about the consistency and depth of social partner engagement in macroeconomic policy coordination. The lack of new, binding rules on social partner involvement in the Stability and Growth Pact reform risks perpetuating the current ad hoc approach. While consultations may take place, their effectiveness and impact will likely depend on the willingness of individual Member States and EU institutions to prioritize social dialogue.

A possible future reform with a significant impact is the Social Imbalances Procedure (SIP)<sup>41</sup>. The SIP emerged as a conceptual framework proposed by Belgium and Spain during the Porto Social Summit of 2021<sup>42</sup>. Supported by the European Commission in the 2022 Joint Employment Report (JER)<sup>43</sup>, the SIP seeks to introduce an upward social governance mechanism akin to the Macroeconomic Imbalances Procedure. Its goal is to address social imbalances systematically, with a particular focus on promoting social rights and ensuring a balanced approach to economic and social policies. At the heart of SIP lies the concept of a “Social Alert Mechanism”,

MENGUY, *Reform of the Stability and Growth Pact: Which changes for the governments?*, in *JGE*, 2024, vol. 15 <https://www.sciencedirect.com/science/article/pii/S2667319324000247>; PENCH, *Three risks that must be addressed for new European Union fiscal rules to succeed*, in *Policy brief*, 16 May 2024, <https://www.bruegel.org/policy-brief/three-risks-must-be-addressed-new-european-union-fiscal-rules-succeed>.

<sup>40</sup> ETUC, *Economic governance reform: ETUC priorities against austerity and for investments*, Adopted at the Executive Committee Meeting of 26–27 March 2024, <https://www.etuc.org/en/document/economic-governance-reform-etuc-priorities-against-austerity-and-investments>.

<sup>41</sup> SABATO, VANHERCKE, GUIDO, *A “Social Imbalances Procedure” for the EU. Towards operationalisation*, in *ETUI Working Paper*, ETUI, 2022, 09.

<sup>42</sup> Belgian-Spanish Non Paper ahead of the Porto Social Summit, 21 April 2021, <https://europeanunion.diplomatie.belgium.be/sites/default/files/2023-05/Belgian-Spanish%20Non%20Paper%20ahead%20of%20the%20Porto%20Social%20Summit.pdf>.

<sup>43</sup> European Commission, Directorate-General for Employment, Social Affairs and Inclusion, *Joint Employment Report 2022: as adopted by the EPSCO Council on 14 March 2022*, Publications Office of the European Union, 2022, <https://data.europa.eu/doi/10.2767/342787>.

which would function as an early-warning system to identify and address social disparities within and between Member States. This mechanism is supported by key EU institutions, including the European Economic and Social Committee (EESC)<sup>44</sup>, as well as the EMCO (the Employment Committee) and SPC (Social Protection Committee)<sup>45</sup>, which have explored its feasibility. By introducing such a framework, the SIP could reinforce the European Pillar of Social Rights (EPSR) and strengthen the social dimension of the European Semester<sup>46</sup>. However, its potential impact remains uncertain and it is still far from certain if the SIP will ever see the light of day as we did not hear much about the topic in 2024.

Finally, the Val Duchesse Summit on 31 January 2024 represented another milestone in the EU's efforts to bolster social dialogue<sup>47</sup>. A key outcome anticipated from this summit is a Tripartite Declaration<sup>48</sup>, potentially paving the way for a Pact for Social Dialogue by 2025. Such a pact would aim to institutionalize and deepen the involvement of social partners in EU policy-making processes, with a focus on both national and EU levels. The declaration and subsequent pact may also inspire legislative action, including a possible directive to formalize social partner engagement. The intention to create a new Pact for Social Dialogue was also confirmed in Mission Letter by Commission President Ursula von der Leyen to Commissioner-designate Roxana Mînzatu in September 2024 and is currently under preparation<sup>49</sup>. If realised, this could enhance the consistency and transparency of social dialogue across

<sup>44</sup> EESC, Opinion on the Social Imbalances Procedure, adopted on 27 April 2023, SOC/748, <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/social-imbalances-procedure>.

<sup>45</sup> Employment Committee and Social Protection Committee, Opinion of the Employment Committee and the Social Protection Committee on the proposal by Belgium and Spain for the introduction of a Social Imbalances Procedure in the European Semester, 9222/22, Brussels, 18 May 2022.

<sup>46</sup> Also see the favourable resolution of the ETUC, Resolution on the Social Imbalances Procedure for the EU, 16–17 March 2022.

<sup>47</sup> European Commission, *Val Duchesse Social Partner Summit*, <https://ec.europa.eu/social/main.jsp?catId=1632&langId=en>.

<sup>48</sup> European Commission, Belgium, ETUC, Business Europe, SGI Europe, SME United, *Val Duchesse Social Partner Summit Tripartite Declaration for a Thriving European Social Dialogue*, <https://ec.europa.eu/social/main.jsp?catId=1632&langId=en>.

<sup>49</sup> European Commission, *Mission letter to Roxana Mînzatu*, Brussels, 17 September 2024, [https://commission.europa.eu/document/download/27ac73de-6b5c-430d-8504-a76b634d5f2d\\_en?filename=Mission%20letter%20-%20MINZATU.pdf](https://commission.europa.eu/document/download/27ac73de-6b5c-430d-8504-a76b634d5f2d_en?filename=Mission%20letter%20-%20MINZATU.pdf).

Member States, addressing long-standing disparities in its application. However, the specifics of the pact, including its scope, binding nature, and integration with the European Semester, remain under discussion.

## 6. *Conclusions*

The analysis of the role of social partners in EU economic governance emphasizes the nuanced and evolving nature of their involvement at both European and national levels. While there are institutional frameworks that highlight the importance of engaging social partners, their actual integration and influence vary widely across Member States and governance mechanisms.

The European Union has made strides in embedding social dialogue, especially since the introduction of the European Pillar of Social Rights in 2017, which reinforced the need for inclusive policymaking. Mechanisms like the Annual Sustainable Growth Strategy (ASGS) and tools within the European Semester provide structured opportunities for consultation. However, these engagements often remain informal or non-binding, leaving room for variability in their application and effectiveness.

At the national level, significant disparities exist in how Member States involve social partners in drafting National Reform Programmes (NRPs) or engaging with the EU's economic coordination processes. While countries like the Netherlands and Luxembourg demonstrate robust consultation practices, others, particularly in Eastern and Southern Europe, exhibit limited or unclear involvement, reflecting historical and institutional challenges in fostering social dialogue.

Despite recent initiatives like the Commission Communication and Council Recommendation on Strengthening Social Dialogue (2023), and the Val Duchesse Summit of 2024 and the prospect of a Pact for Social Dialogue by 2025, challenges persist. A key issue is the lack of binding rules that mandate consistent and meaningful social partner involvement. This omission is particularly evident in critical frameworks like the Stability and Growth Pact reform, which underestimates the relevance of social dialogue in shaping economic policies.

Future reforms, such as the potential Social Imbalances Procedure (SIP), offer hope for elevating the role of social partners by introducing mechanisms

to address social disparities systematically. However, these proposals remain speculative, and their implementation will require substantial political will and structural adjustments across Member States.

In conclusion, while the EU recognises the value of social partners in ensuring balanced and inclusive economic governance, their role often oscillates between being key stakeholders and mere symbolic participants. Bridging this gap will necessitate not only formalising their involvement but also fostering a cultural shift towards greater recognition of their contributions at all levels of governance. Without such efforts, the EU risks undermining the social legitimacy of its economic policies and the broader objectives of the European Pillar of Social Rights.

### **Abstract**

This article examines the evolving role of social partners in the context of EU economic governance, particularly within the European Semester. While the European Union has introduced frameworks and initiatives to integrate social dialogue into its policy-making processes the extent and depth of social partner involvement vary significantly across Member States. Through legal analysis and a review of National Reform Programmes (NRPs), the article highlights both the formal structures and practical realities shaping the role of social partners. It explores disparities in engagement practices, critiques the absence of binding rules mandating consultation, and evaluates new developments, including the prospect of a Social Imbalances Procedure (SIP) and a potential Pact for Social Dialogue. The findings underscore the need for institutional reforms to enhance the consistency, transparency, and impact of social partner contributions at both national and EU levels.

### **Keywords**

European Semester, Social dialogue, EU economic governance, National reform programmes, Stability and growth pact.