



Reform and investment proposals and their implementation in the Member States: the views of organised civil society

5 December 2023 at 10:30 a.m. at the French Economic, Social and Environmental Council



Organisers of this round table

- The European Economic and Social Committee (EESC)
- French Economic, Social and Environmental Council (ESEC)

Description

This round table is being organised as part of the consultation carried out by the EESC's European Semester Group ([ESG](#)) for the preparation of an own-initiative opinion entitled "Reform and investment proposals and their implementation in the Member States: the views of organised civil society (2023-2024 cycle of the European Semester)" ([ECO/631](#)). With this opinion, the ESG is now continuing the work begun in 2021: consulting national economic and social councils, the social partners and civil society organisations in the EU Member States on a key subject of the European Semester. This consultation focuses firstly on the reform and investment measures in the Member States, in particular those based on the [2023 country-specific recommendations](#), and on their implementation, in order to assess the effectiveness of these measures and the possibilities for better targeting of proposals, improved implementation and monitoring, and the involvement of organised civil society in the procedures. Secondly, it is also focusing on issues relating to the ongoing [review of the EU's economic governance rules](#), the central objective of which is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reform and investment. Lastly, the EESC intends to continue previous consultation exercises by examining the state of implementation of the reforms and investments provided for in the national recovery and resilience plans and which are financially supported by the [Recovery and Resilience Facility](#) funds.

The results of this consultation will be summarised in an EESC opinion, also set out in an annex, in which the Committee continues to promote a more participatory European Semester and economic governance framework, with greater ownership at national level and closer involvement of organised civil society.

This round table will address the following questions (taken from the questionnaire on which this consultation is based):

- I. The reform and investment measures in the Member States, in particular those based on the country-specific recommendations 2023, and their implementation:***

How is organised civil society involved in the dialogue between your government and the Commission? What are the positive and negative points?

II. The reform of the EU's economic governance rules:

Has your organisation been consulted or is it being consulted in defining your government's position on the Commission's legislative proposal currently under discussion in the European Parliament and the Council of Ministers? If so, how and do you think that the views of your organisations and civil society as a whole have been or are being taken into account? If not, how would you have liked to be involved in the process?

III. The implementation of the reforms and investments provided for in the national recovery and resilience plans:

As we reach the halfway point in the implementation of the recovery and resilience plans (which will end in 2026) and the ongoing review of the EU economic governance framework, what lessons have been learned that should be applied to the design, implementation and monitoring of the future medium-term structural and budgetary plans proposed by the Commission?

Statements by members of the European Economic and Social Committee

- General presentation of the EESC, its European Semester Group (ESG) and the aim of this meeting/consultation of organised civil society.
- The problem identified in the tools such as the European Semester, the Recovery and Resilience Facility and the EU economic governance framework is that of ensuring that the process of consulting organised civil society is structural and permanent. The EESC has called on the European Commission and the Member States in these latest opinions to ensure that there is a legal requirement for such consultation to be structured and permanent, using the bodies and formations already available in the Member States.
- With regard to the social pillar of the Recovery and Resilience Plans (RRPs), it was envisaged that up to 40% of overall expenditure would be considered as social. Today, however, an evaluation by the European Commission's SG RECOVER estimates that social expenditure is around 30%.
- With regard to the reform of the EU economic governance framework, an agreement in principle is expected at the ECOFIN Council meeting on 8 December, putting certain points on the backburner in order to reach an agreement on the rest during the first three months of 2024, under the Belgian Presidency of the Council. After March 2024, all the technical agreements will be negotiated, such as the one on debt sustainability analysis (DSA). What will be the responsibility of the Member States and the European Commission? How should it be defined? This debt sustainability analysis will form the basis for national medium-term budget plans. From March 2024 to December 2024, it will therefore be necessary to enter the debate with some force. The Belgian Presidency of the Council wants to press for more attention to be paid to the social dimension within the framework of EU economic governance and the European Semester, and thus to move from a double transition (green and digital) to a triple transition (also social). What is the cost of the absence of social policies? And what are the benefits of social investment? There is a desire for a framework along these lines.

Statements by members of the French Economic, Social and Environmental Council

Consultation of French organised civil society as part of the European Semester/the different phases of the Recovery and Resilience Plan:

- **We are consulted annually by the General Secretariat for European Affairs (GSEA)¹ on the National Reform Programme (NRP).** Within the French Economic, Social and Environmental Council (ESEC), there is no working group dedicated to the European Semester, which means that it is not possible to work continuously on this issue throughout the year. Representatives have been appointed by each of the ESEC's working groups² and the European and International Affairs Committee is responsible for coordinating this consultation. Firstly, the European Commission (EC) presents the country-specific recommendations for France³ and secondly the European Commission (EC) presents the autumn package. We meet several times with the GSEA to present a draft plan for the NRP and then the NRP as a whole. We then choose to respond to certain reform proposals formulated in response to the country-specific recommendations addressed to France, based on the recommendations already issued by the ESEC. In fact, we cannot contribute to all the reform proposals. The ESEC must be consulted on the government's draft NRP. However, there is no ad hoc working group and the overly tight agenda means that it is not possible to present a specific opinion to the plenary.
- **With the Recovery and Resilience Facility (RRF), the NRP forms part of the national Recovery and Resilience Plan (RRP).** We are therefore **consulted by the GSEA**, which is directly attached to the Prime Minister's office, which maintains dialogue with us. This consultation is structured, but this has not always been the case. This dates back to the previous mandate (2015-2021) and to one councillor in particular. Dialogue has also developed with the EC and the GSEA. However, we still have a limited deadline of fifteen days to respond. This year (financial year 2022/2023), we responded on a detailed plan for the third part of the draft NRP (presentation and monitoring of reforms, investments, milestones and targets leading to the disbursement of European funding). We received the final document on 18 April and had submitted our consultation on it by the end of March 2023. In practice, this very short consultation of the ESEC remains very difficult to implement. Although the dialogue with EC representatives in France has been developed, we still have little time to respond. The GSEA is heard at the ESEC and answers our questions. The Secretary General for European Affairs himself gives feedback to the plenary assembly on what we have been able to produce and we receive information on what has or has not been taken into account. This is much appreciated and is a fairly recent practice (since 2019). He came because we have been able to build up a relationship with the GSEA. We are invited to events organised by the Secretary-General and we have been able to express our views. We have no legal basis for setting a deadline of at least two months, which is the time needed to draw up an opinion. We don't have the means to impose this. As a result, we are not able to plan a proper discussion at the plenary with a formal vote.
- As regards **monitoring the progress of reforms and investments, i.e. the milestones and targets of the NRRP**, we do not monitor the overall implementation of the plan. There are recurring recommendations from the European Commission concerning employment, education, culture, etc., for which reforms are undertaken, and these are then monitored by our relevant in-house training. The departments do not systematically issue updated opinions (ESEC opinions) on these reforms, as this is not a permanent monitoring process. There is therefore a limit to the exercise and the monitoring. We cannot be totally exhaustive.
- For example, in the **Annual Report on the State of France⁴** produced by the ESEC each year, we try to measure growth using societal factors and indicators relating to well-being, etc. ("**indicators beyond GDP**").
- In the NRP 2023 exercise, the contribution of the French Overseas Departments and Territories Delegation enabled us to highlight the outermost regions (such as Guadeloupe, Martinique, Réunion, Saint-Martin and French Guiana). We have been able to add an ultramarine touch, by

¹ [About the GSEA.](#)

² [Working groups of the Economic, Social and Environmental Council \(ESEC\) \(ecese.fr\).](#)

³ [2023 European Semester: Country Specific Recommendations/Commission Recommendations \(europa.eu\).](#)

⁴ [Annual Report on the State of France – the ESEC adopted the opinion, ESEC.](#)

determining the strategy for these regions and the need to take account of their specific characteristics.

- Regarding the content of the RRP, **we regret that there are no binding social criteria for RRP**s. We regretted this when the plan was first drawn up. It did not contain binding social criteria.
- In September 2022 we also adopted a **report on the EU's strategic autonomy**. The report made it clear that the EU's strategic autonomy is not just about trade. **This should also be taken into account and discussed as part of the European Semester**.

Reform of the EU economic governance framework:

- We are not in a position to respond on the reform of the rules of the EU economic governance since **the ESEC has not had a debate on this issue**. The mandate is very busy and we cannot define the position of the ESEC on this reform of economic governance. However, **the organisations of the ESEC are consulted and exchange views with the government and the EC on this subject**. They provide us with their positions, but these positions do not represent those of the ESEC.
- **We want to remove green investment from the convergence criteria of the Maastricht Treaty**, for example. **We want the Stability and Growth Pact to be made more flexible. It is also crucial to take environmental and social issues into consideration**. Within the ESEC, there is a real ownership of the issues. Although we have not yet undertaken a position-taking exercise on the reform of EU economic governance, the effort made to involve advisors in this governance reform is fairly minimal and weak. We need to base our position on the interest and on the fact that **the current rigidity does not serve the environmental/social objectives we are seeking**.
- **As regards green investment, we have put a proposal on the table to relax the rules of economic governance and the Stability and Growth Pact**, which are already no longer respected; despite huge public deficits, **no formal sanction procedure is applied against Member States**.
- In October 2023, the French government explained the planned reforms, but their document is not definitive. It is therefore uncomfortable for us to take a position at this stage.

Statement of the European Semester officer for France from the European Commission:

The RRF:

- We are in a pivotal year, halfway through the implementation of the RRF. We can already see that the Facility is having an impact in France. There is a long-term structuring effect and a greening of the economy. The resilience of the economy depends on an evaluation of the reforms and an assessment of the concrete impact. This raises the question of the important role of the European Semester and its formal monitoring of the implementation of Recovery and Resilience Plans in the Member States. The aim is to monitor the achievement of targets and milestones. Added to this is the issue of reforming the EU economic governance framework. This will have an impact on the European Semester. Few stakeholders are aware of the content, related documents and operation of the European Semester. The ESEC and the EESC therefore have an important role to play in ensuring that people understand its effects and its tools.
- The regulation on the Recovery and Resilience Facility does not provide for a quantified target for the part of the plan dedicated to social expenditure, as is the case for the part dedicated to green and digital investment. The choice was made not to impose a target for social spending for several reasons: firstly, a concern for "accounting" consistency, as a lot of digital and green spending is also social. There are therefore concerns about counting and monitoring. In addition, many of the expenses arising from the reforms in the RRFs are not eligible under the RRF, as is the case, for example, for reforms aimed at introducing or strengthening minimum income schemes. The RRF can only finance the training and support parts of a measure, and not the delivery part). This leads to an underestimation of the social impact of national plans. We therefore need a more qualitative approach to the social impact of these plans. The European Commission is developing tools to better evaluate social reforms as part of the European Semester. We encourage stakeholders to take advantage of these tools, including in the context of the reform of the EU economic governance framework, which provides that national reform and investment programmes enabling countries to

lengthen their path back to a balanced budget must be compatible with the European Pillar of Social Rights.

- The European Commission supports the Member States' efforts to implement the action plan for the European Pillar of Social Rights. We invite stakeholders to make use of existing tools, such as the indicators developed as part of the European Pillar of Social Rights. In the Joint Employment Report (JER) adopted jointly by the Commission and the Council, seven countries were identified as being at risk of social divergence and will need to undergo in-depth social analysis. Tools already exist, but they need to be publicised and used more widely.

The European Semester

- In the context of implementing the RRP, the Commission must now ask itself how to deal with developments and possible backtracking on the reforms validated in the plans. This is the case, for example, with the expected developments in unemployment insurance, which is managed by the social partners, bearing in mind that the Commission supports social dialogue and its role in defining and implementing policies. How will the EC approach this? The European Semester will enable us to monitor reforms, and this is a crucial role.
 - That's why those in charge of the EC's European Semester come to the Member States to explain the mechanics. Although it is not easy, we have an educational role vis-à-vis the members of the ESEC and the work of the EESC is essential in explaining this, too. And that is despite everyone's busy schedules and the number of issues being dealt with. Within the EC we follow your work and we appreciate it.
 - The EC has made the implementation of the European Pillar of Social Rights an essential element of the European Semester.
 - The President of the Commission, Ursula von der Leyen, has undertaken to monitor and relaunch European social dialogue.
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List of participants

For the French Economic, Social and Environmental Council:

- Catalina PAJARES Y SANCHEZ, Vice-Chair of the European and International Affairs Commission (EIAC), coordinator of the NRP Steering Group
- Patricia BLANCARD, ESEC advisor, Vice-Chair and representative of the Delegation for Women's Rights and Equality
- Éric LEUNG, ESEC advisor, member of the EIAC, President and representative of the Overseas France Delegation,
- Alain DRU, ESEC advisor, member of the Social Affairs and Health Commission
- Jean-Marc BOIVIN, ESEC member of the EIAC
- Dominique ANRACT, ESEC member of the EIAC
- Florent-Serge STORA, Director of European and International Relations
- Jean-Baptiste de FRANCQUEVILLE, Director of the EIAC
- Guénaél VARRON, Deputy Director of the EIAC
- Marion THOMAS, deputy administrator of the EIAC
- Isabelle HUYN, administrator Economy and Finance Committee

For the European Economic and Social Committee:

- Ozlem YILDIRIM, EESC member
- Pierre BOLLON, EESC member
- Thierry LIBAERT, EESC member
- Luca JAHIER, EESC member
- Colombe GREGOIRE, administrator from the ESG secretariat

For the European Commission:

- Isabelle MAQUET, European Semester officer for France from the European Commission