



Conference Towards a more inclusive European Semester

28 February 2019 | 10 am – 1 pm | EESC | JDE 51 | Rue Belliard 99, 1040 Brussels

Address by the EESC president, Luca Jahier

Ladies and gentlemen,

Over the years, the European Semester process has acquired ever more importance for the European Union and has become an extremely efficient economic and social governance tool for both European and national institutions.

Although it has often been criticised, I think that the European economy is now on the right track. Of course, it is not growing at the rate we hoped for but we should recognise that the EU economy is now moving in the right direction, not least thanks to the European Semester. However, more can be done, especially concerning inclusion, the creation of a decent standard of living for the maximum number of people, the creation of decent working conditions and a favourable environment for businesses - particularly SMEs - as well as to give growth a more resilient, innovative and sustainable dimension.

All successful reform processes have been founded on the involvement of both the social partners and civil society in the broader meaning of the term. So, with the challenges currently facing the EU, it is becoming more and more important to include the widest possible array of participants.

The EESC has therefore started up a new process within the European Semester: a civil society semester process, which includes regular country visits to the Member States. There is a need for this kind of on-the-ground consultation of organised civil society in the Member States: both in the Member States where these consultations are already working properly and in those where they are either not working efficiently or not working at all.

There is also a need to increase civil society participation in the development and implementation of the Country-Specific Recommendations. Our aim is to create more transparency, to raise awareness and to mobilise national civil society organisations. In this way, we could improve the links and dialogue between the EESC and the European institutions and help connect the national and European levels more effectively. This was already our goal under the Lisbon Strategy but it will become even more important now that Europe 2020 is coming to an end.

I would like to express a wish here for the future since, after the experimental phases of this process, I think that we will have tested and created a good roadmap. We should think about how to link our work with the regional and local levels of government and maybe a proper strategy could consist of joining forces with the Committee of the Regions. Joint work could be even more effective and helpful in this phase, thanks to the very useful and fruitful relationship currently in place between the presidencies of the two Committees.

From this point of view, I have to say that the country visits are an efficient and effective way for the EESC to bridge the European and national levels within the Semester process, as well as a very good way to prepare the next phases of EU legislation. Later on this morning we will discuss the outcome of the first of these visits.

I should also say that I have already received very positive feedback on this issue from some Member States – Spain for instance - with regard to seminars and initiatives already in place. I think that the great number of people participating in national hearings is a good sign for our work: it may not be extremely visible but it is certainly important.

So, I know that the launch of this process has not proven easy but I think we will find our footing, thanks to the work done by Gonçalo and the European Semester Group, the help provided by the administration and several discussions that have taken place in the Committee Bureau.

The EESC has been following the Semester cycle closely for years. At the outset before the Semester was in place, former EESC president Mario Sepi had the idea of working on the Lisbon agenda, together with the national ESCs and similar bodies. Since then, our main goal has always been the same: ensuring that the voice of civil society is heard in the process of identifying what we consider to be the values and resulting policies that should steer our societies. In this way, it could be essential to establish a common framework for all Member States - not a single standard because the situation is different in each Member State - to give a voice to stakeholders, enterprises, trade unions and all the other civil society organisations. It could also be important to create guidelines to make the process of consultation more effective where it is not working.

As you will hear later on this morning, the machinery – or governance – of the Semester is a finely tuned machine that yields results. However, there is still room for improvement, on both the definition and implementation side. The answer that you get in many political processes, at least in the major ones, depends on the questions you ask, how you ask them, and whom you ask. In too many Member States, too few stakeholders are consulted in a meaningful way, and not early enough. I would like to underline here - even if this falls outside my remit - that in many Member States parliaments are completely cut off from this process or are consulted only at the last minute; and this does not work. I am not here to speak on behalf of the national parliaments - they have the capacity to do that

themselves, through COSAC for example - but we have to work on this issue. Otherwise, there will be no capacity to truly involve them and take into account suggestions, comments as well as criticism that could help make the process more efficient. And, at the very end, there will be no genuine, broad support for the entire process, as is so keenly needed. We need this involvement to define both the challenges and our direction and to correct what is not working.

The recent inclusion of the European Pillar of Social Rights in the ongoing Semester cycle is a positive sign. I remember when I was one of the rapporteurs who, at the request of Mr Van Rompuy, examined the option of developing a social dimension of EMU. The outcome of this process was the proposal put forward by Commissioner László Andor to set up a non-binding social scoreboard. So, now that we have succeeded for the first time in integrating the European Pillar of Social Rights into the Semester, I can only see it as a positive step towards a more inclusive Semester process. However, other parameters should be considered, such as climate change and the increasing scarcity of resources. This is where civil society must be involved: in defining what is important and defining what we should be measuring.

On this point, I think that we at the EESC need to be a little more politically incorrect and also a little more daring and ambitious. The Europe 2020 Strategy is coming to an end, although, if I may say so, it has never really worked. Indeed, as a consequence of a *de facto* default decision taken by Mr Barroso and the main stakeholders at the very beginning of the major crisis, it was agreed to decouple - or simply not to link - the six-pack and the two-pack on the one side and the Europe 2020 Strategy on the other. I remember the real challenge that Mr Barroso faced at the time: why invent another policy framework and not link the existing strategy for growth, employment and sustainability - because this was the Europe 2020 Strategy, already adopted by all the Member States - to the Semester or the budget? Instead, we created a new mechanism and accordingly we were only able to include a few parts of the Europe 2020 Strategy. So, this mistake was made a long time ago.

The EU has recently adopted a new important agenda for the future: Agenda 2030 to work on sustainable Europe. The reflection paper, which was released a few weeks ago, makes specific reference to the possibility of creating a mechanism to report on and monitor the progress on SDGs as part of the European Semester. To a certain extent, it is something that already exists in Italy: the Parliamentary Budget Office screens the annual budget law.

I think that we should be more ambitious and call for two things: firstly, the EU Semester should adopt a scoreboard for the Agenda 2030 for sustainable Europe - putting Article 3 of the TEU into practice - including data on competitiveness, growth, employment and the environment. "Progress", in other words. This should be our goal, not merely to add some points to the Agenda. Right now, we have one agenda for the economy, budget control with issues concerning growth and competitiveness and certain social points, but very little reference to climate change. On the other hand, Europe has an enormous agenda on climate change. We have to link these two strategies to make one single strategy. The Semester is a strategy that works and it is a procedure with a decision-making process. Of course, it needs to involve national parliaments and civil society to a greater extent, but it works. So, we have to work on the content, not invent another framework.

Our second goal should be to rename the EU Annual Growth Survey - the starting point of the Semester process - as the EU Annual Sustainable Growth Survey, as has been proposed in the opinion drawn up by Anne Demelenne which was adopted during our last plenary session.

The EU Annual Sustainable Growth Survey should also be based on new Eurostat data and not only on GDP. A decision has to be taken: we at the EESC must be daring, since if we are not ambitious, no one else will be. This goal goes beyond making cosmetic changes, as many others are obliged to do by the role they play during negotiations - I am thinking here of governments, the Council, the "trilogues", etc.

Thanks to the work done during the country visits, I think we will be ready to step up our goals over the next few months. I am relying on your work and I think that efforts are already being made in many Member States. This could be a new real change for the Europe to come. Not only because the slogan of my presidency is "Daring, sustainable Europe", but also because I think that Europe is the leader in the worldwide sustainable agenda. We cannot allow other international actors to be leaders in this field. Ours is a win-win agenda for businesses, the future of energy and technology as well as of workers, agriculture and the protection of our territory. It might also be a good answer to the issues raised last week during our plenary session by Greta Thunberg who called for action in this area.

So, we must try to combine these aspects and we already have some bases, instruments and governance mechanisms, along with strong proposals either under discussion or already adopted concerning the EU budget, such as to allocate one in four euros to the fight against climate change, and to include the Social Pillar in the Semester. Therefore, we must work to establish a single strategy and leave the luxury of being less ambitious to others.
