



The Reform of the European Semester

21 March 2023

Helsinki (SOSTE)



Organisers of this round table

- [The European Economic and Social Committee \(EESC\)](#)
- [SOSTE, the Finnish Federation for Social Affairs and Health](#)
- [Akava, the Confederation of Unions for Professional and Managerial Staff](#)

Participants

- Mr Vertti Kiukas (Secretary General, SOSTE)
- Ms Kirsi Marttinen (Senior Advisor, SOSTE)
- Mr Jukka Haapakoski (Chief Executive Officer of the Finnish National Organisation of the Unemployed, and Board Member of ICSW Europe)
- Ms Pia Sundell (Executive Director for the Finnish Children's Welfare Association, and member of the Executive Board of EuroHealthNet)
- Mr Markus Penttinen (Akava and EESC member)
- Ms Päivi Wood (Confederation of Finnish Industries (EK))
- Ms Larissa Franz-Koivisto (EAPN Fin / CARITAS Finland representative)
- Mr Jüri Soosaar (the EESC's ECO Section secretariat)

[The EESC's European Semester Group](#), in cooperation with SOSTE (the Finnish Federation for Social Affairs and Health) and Akava, organised a round table discussion on the need to reform the European Semester. The debate covered the Recovery and Resilience Facility, country reports, national reform programmes and country-specific recommendations in the context of the European economic governance framework. The results of the debate will be included in the EESC opinion on the [Recommendations for a solid reform of the European Semester \(ECO/600\)](#).

On the basis of the round table discussions and the responses to the questionnaire from national delegations, the EESC will draw up an own-initiative opinion on the development of the European Semester. The EESC will pass on these recommendations to the European institutions and national governments, and ensure that they are fully taken into account in the European Semester cycle.

This builds on the following consultations and resolutions published in previous years.

Resolution of February 2021 on the [Involvement of Organised Civil Society in the National Recovery and Resilience Plans – What works and what does not?](#);

Resolution of May 2022 on the [*Involvement of Organised Civil Society in the National Recovery and Resilience Plans – How can we improve it?*](#).

This roundtable discussion addressed the following issues.

Consulting organised civil society in the context of the European Semester.

- **What works and what doesn't?**
- **How to strengthen the involvement of organised civil society in the European Semester?**

Introduction

The EESC's European Semester process, opinion work and the national consultation process was explained.

The current European Semester process contained certain in-built limitations. Namely, the wider public did not know the process and its potential impacts. At the same time, available information on the strategy's real impact at grassroot level was insufficient. Organised civil society needed to invest considerable human and material resources in order to reply to the consultation requests. At the same time, it was recommended that instead of wider direct public consultations, the focus be put on targeted consultations (focus on selected groups of organised civil society, etc.). The Finnish Ministry of Finance had been coordinating some processes and debates organised by the European Commission representation, especially for raising awareness and conducting thematic debates.

It had to be stated that Finland was in a very specific situation, as national elections were to take place the following week, as well as a discussion on NATO membership. Debates on war had also been the centre of public conversation.

General debate

Regarding the overall European Semester strategy, the Social Pillar needed to be more present. Social criteria needed more visibility in the overall semester strategy. Economic sanctions should be kept in mind, although the possibility to impose them had never been used. There needed to be more progress towards a balance in order to achieve a true socio-economic strategy. The European Commission representation in Helsinki had been regularly informing and holding discussions with the social partners. A special focus had been put on the involvement of Group III organisations. Despite this, there was still not an equal balance in representation, although this also depended on the resources available in different organisations.

Furthermore, the processes and workstreams of the overall strategy were too complicated, and there should be more synergies and harmonisation. It was stressed that over the previous 2-3 years, there had been too much debate on the general economic approach.

National action plans / rapports were unfortunately not leading to the concrete or sufficient changes or actions that social partners and wider civil society organisation had been hoping for. Finnish organised civil society organisations had a common understanding that only a strong economy could create jobs and lead to a more balanced socio-economic growth.

Finland and the EU were experiencing many internal and external shocks; therefore, processes needed to be adapted to the new environment. An effective central strategy would need to take into consideration the impacts of a wide range of factors, from the COVID-19 pandemic to the impacts of the ongoing war in Ukraine. More country-specific debates were necessary in order to draw up country-

specific recommendations. In this regard, they could also look at what could be recommended for the European Commission for the future.

Specific comments

It was noticed that there had been alternative country-specific recommendations, however they had not led to any real progress. One of the general issues was related to general knowledge about the strategy. It was very Brussels-driven, and the language used was not clear enough for ordinary citizens. In some situations, even the media did not understand the Semester process.

Caritas Finland had been aiming to impact the process at national level and also contribute to the EU-level debate via their umbrella organisation. The EAPN report could be seen as a best practice example. Finland needed a well-designed poverty strategy. The social sphere had not sufficiently impacted economic policy, and the information exchange between the socio-economic decision-makers could be improved.

There had not been enough cooperation with regards to the Recovery and Resilience Facility. Very few governmental consultations had taken place. All participants agreed that ECOFIN conclusions¹ had a major impact on future national strategies, which would have to become considerably stronger. The outcome and possible impacts of the ECOFIN conclusions had yet to be discussed at the national level.

In order to improve national consultation and civil society engagement, more streamlined processes were needed. Political decision-making sometimes slowed down the processes. It was agreed that although the (36 sector-specific) EU subcommittees (chaired by different ministries) were important for civil society organisations and social partners (as the sub-committees provided opportunities to exchange information and discuss current EU processes), their work could be improved. The subcommittees did not discuss the Semester on a regular basis, they met very infrequently, and the consultations held between meetings were problematic due to deadlines. It was stressed that the 12-24 hours often given to civil society organisations to consult and reply was unacceptable. In order to consult stakeholders at the grassroots level, the processes had to be adapted. It was proposed that an advance warning for foreseen consultations be sent, and that maybe an advance-warning system could be set up.

A detailed overview and timetable of the European Semester processes might also be helpful for civil society organisations, and possibly come with some explanations of interactions between actors at EU and national level. Semester process should have a more detailed follow-up on what was working well and what not.

More than 50 000 Ukrainian refugees had arrived in 2022, with an equal number expected in 2023. Of these, 60% held a university degree. The status granted to Ukrainian refugees in Finland (temporary right of residence, B-status) gave them weaker employment support measures than other refugees (A-status)². A solution at national level would be necessary to aid them in finding and holding employment. The war in Ukraine had had an impact at national level, with certain border areas very strongly impacted.

The green transformation required considerable financial and human resources, and it was still unclear what would actually be needed. It was looking rather like a new economic cycle. Dependency on China was also one of the issues. Developing the internal market and strengthening European competitiveness would not be able to be financed with governmental grants or subventions.

¹ <https://www.consilium.europa.eu/en/press/press-releases/2023/03/14/economic-governance-framework-council-agrees-its-orientations-for-a-reform/>.

² <https://migri.fi/en/residence-permit-types>.

The Pillar of Social Rights should have a higher profile in the Semester process. Also, the EESC's role needed to be strengthened. Finally, it was recommended that Finnish EESC members meet more regularly to discuss their involvement and focus on possible ways to get a head start in the debates at national level.