

The European Semester

Briefing Paper

WHAT IS THE EUROPEAN SEMESTER?

The "**European Semester**" (**ES**) is an annual cycle of *macro-economic, budgetary and structural policy coordination and surveillance* taking place at the EU level that was adopted in 2010 and started in 2011.

As its name suggests, its cycle is focused on the first six-months of each year, time during which Member States have to align their budgetary and economic policies with the objectives and rules agreed under the *Stability and Growth Pact* and the *Europe 2020 Strategy*.

WHY WAS IT CREATED?

It was created in reaction to the economic crisis which demonstrated a need for stronger economic governance and better policy coordination between the EU Member States. Its aim is to ensure convergence and stability within the EU. It is also a key instrument to implement the European 2020 Strategy.

KEY INSTRUMENTS:

The European Semester is based on three levels of coordination: *thematic coordination* (in areas such as employment, social inclusion, education) under the EU2020 Strategy, *macro-economic surveillance* and *fiscal surveillance*, under the Stability and Growth Pact.

Three documents are keys to this process:

- **The Annual Growth Survey (AGS)** - launches the ES and sets the basis for building a common understanding about the priorities for action at both national and EU level.
- **The National Reforms Programs (NRPs)** – based on the Stability and Convergence Programs (SCPs)¹, detail how the [targets of the EU 2020 Strategy](#) are being reached, which national policies will be implemented and how EU guidance has been taken into account, also according to previous CSRs and AGS.

¹ http://ec.europa.eu/economy_finance/economic_governance/sgp/convergence/index_en.htm

- **The Country-Specific Recommendations (CSRs)** – recommends a set of actions for each member state to take, according to its economic and social performance during the previous year and to the delivery of priorities set out in the AGS.

In addition to this, in 2012 the Social Protection Committee representing the Social Ministries from the EU Member States decided that Member States should also provide **National Social Reports (NSRs)**, in order to examine the state of play of the fight to *poverty and social exclusion, pensions, healthcare and long-term care*.

For 2014, the [AGS](#) sets five priorities. As for the previous year, these are:

- Pursuing differentiated, growth-friendly fiscal consolidation
- Restoring normal lending to the economy
- Promoting growth and competitiveness for today and tomorrow
- Tackling unemployment and the social consequences of the crisis
- Modernising public administration.

For 2014, NRPs and CSRs are available [here](#). You can also check directly the situation in your country, by clicking it on this interactive [map](#). Instead, 2014 NSRs can be found [here](#).

TIMEFRAME:

The Semester contains a clear **timeframe**.

PREPARATORY PHASE - Analysis of the situation and follow-up to the previous year	
November-December	The European Commission publishes the AGS presenting its view of EU policy priorities for the following year.
PHASE 1 - Policy Guidance at EU level	
January-February	The Council of the European Union (heads of states and/or governments) debates the AGS, formulates orientations and adopts conclusions. The European Parliament also discusses the AGS and can publish, on its own initiative, a report.
March	The Spring Council provides policy orientations. Member States are invited to take into account these orientations when preparing their Stability and Convergence Programs and National Reform Programs which outline their budgetary policies and promote growth and competitiveness ones.
PHASE 2 - Country Specific Objectives, policies and plans	
May	The European Commission evaluates national policy plans and presents draft CSRs
June	The Council of the EU discusses the draft and agrees on final CSRs, which are then presented to the European Council for endorsement

July	The Council of the EU adopts the CSRs and invites Member States to implement them
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WHY DOES IT MATTER?

Although the ES is primarily about macro-economic policy, it also often touches subjects and policies which affect both persons with disabilities and social service provision. For example, 2014 CSRs recommend to:

- AUSTRIA, 2. Improve the long-term sustainability of the pension system, notably by bringing forward the harmonisation of the statutory retirement age for men and women and by linking the statutory retirement age to life expectancy. Monitor the implementation of recent reforms restricting access to early retirement. to “further improve the **cost effectiveness and sustainability of health care and long-term care services**”.
- BULGARIA, 3. Improve the efficiency of the Employment Agency by developing a performance monitoring system and better **targeting the most vulnerable**, such as low-skilled and elderly workers, the long-term unemployed and Roma”. Extend the coverage and effectiveness of active labour market policies to match the profiles of job-seekers, and reach out to non-registered young people who are neither in employment, education or training, in line with the objectives of a youth guarantee. Improve the effective coverage of unemployment benefits and social assistance and their links with activation measures. Take forward the comprehensive review of minimum thresholds for social security contributions so as to make sure that the system does not price the low-skilled out of the labour market. Establish, in consultation with social partners, transparent guidelines for the adjustment of the statutory minimum wages taking into account the impact on employment and competitiveness. In order to alleviate poverty, further improve the **accessibility and effectiveness of social services** and transfers for children and older people.
- FINLAND, 2. Ensure effective implementation of the on-going administrative reforms concerning municipal structure and social and healthcare services, in order to increase the **cost effectiveness in the provision of public services**.
- FRANCE, 4. Remove unjustified restrictions on the access to and exercise of regulated professions and reduce entry costs and **promote competition in services**. Take further action to reduce regulatory burden affecting the functioning of the retail sector, in particular by simplifying authorisations for the opening of trade outlets and removing the ban on sales at a loss. While maintaining affordable conditions for vulnerable groups, ensure that regulated gas and electricity tariffs for household customers are set at an appropriate level which does not represent an obstacle to competition. Strengthen electricity and gas interconnection capacity with Spain; in particular, increase the gas interconnections capacity to fully integrate the Iberian gas market with the European market. In the railway sector, ensure the independence of the new unified infrastructure manager from the incumbent operator and take steps to open domestic passenger transport to competition before 2019. 7. Pursue the modernisation of vocational education and training, implement the reform of compulsory education and take further actions to reduce educational inequalities in particular by strengthening measures on early

school leaving. **Ensure that active labour market policies effectively support the most vulnerable groups.** Improve the transition from school to work, notably by stepping up measures to further develop apprenticeship with a specific emphasis on the low-skilled.

- ITALY, 7. Approve the pending legislation aimed at simplifying the regulatory environment for businesses and citizens and address implementation gaps in existing legislation. Foster market opening and remove remaining barriers to, and restrictions on **competition in the professional and local public services**, insurance, fuel distribution, retail and postal services sectors. Enhance the efficiency of public procurement, especially by streamlining procedures.
- IRELAND, 2. **Advance the reform of the healthcare sector** initiated under the Future Health strategic framework **to increase cost-effectiveness.** Pursue additional measures to reduce pharmaceutical spending, including through more frequent price realignment exercise for patented medicines, increased generic penetration and improved prescribing practices. Reform the financial management systems of the national health authority to streamline systems across all providers and to support better claims management. Roll out individual health identifiers starting in January 2015.
- HUNGARY, 5. Stabilise the regulatory framework and foster market competition, inter alia by removing barriers in the services sector. **Take more ambitious steps to increase removing barriers in the services sector.** Take more ambitious steps to increase procurement, and further reduce corruption and the overall administrative burden.

CIVIL SOCIETY'S INVOLVEMENT:

A partnership role within the European Semester has been given to stakeholders and to the civil society. According to Recital (16)² of the Employment guidelines, these actors should be involved in the elaboration and implementation of NRPs (and of NSRs), as well as in the overall communication on the strategy.

EASPD'S INVOLVEMENT:

In 2013 EASPD joined the [Semester Alliance](#), a coalition of European NGOs who jointly drafted together a [Report](#) on Alternative Country Specific Recommendations³, based on the inputs received by their members. These recommendations were presented during an event at the European Parliament on 14th May that stressed the need for a deeper involvement of civil society in the European Semester. Following the event, EASPD also advocated for the importance of including a disability perspective in the CSRs, bringing up this issue with the Disability Unit of the European Commission.

As the Semester is becoming the key tool to implement important pieces of legislation, such as the Social Investment Package, joining this coalition is a mean to raise awareness on the importance of

² [Employment guidelines](#), p. 9: *While these guidelines are addressed to Member States, the Europe 2020 strategy should, as appropriate, be implemented, monitored and evaluated in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society, who shall contribute to the elaboration of National Reform Programmes, to their implementation and to the overall communication on the strategy.*

³ [Joint Report](#): Strengthening the democratic legitimacy of the European Semester: Civil Society Alternative Proposals for CSRs for a smart, sustainable and inclusive recovery, 2013

influencing the European Semester and to facilitate the participation of our members into this process.

HOW CAN EASPD MEMBERS CONTRIBUTE TO THIS PROCESS?

EASPD members can engage in the European Semester process, by:

- **Identifying who is responsible for the European Semester** – in each country, it is often the Economy or Finance Ministry, or the Prime Minister’s Office who drafts the NRPs
- **Asking for information on the forms of engagement** – mobilise relevant contacts points, in order to be invited to participate to the stakeholders and civil society’s consultation process. The objective is to build lasting platforms for dialogue and to ensure that meaningful consultations are put in place by the Government
- **Briefing partners and building common positions** – develop common positions with partners, organise capacity building sessions to analyse the actual social situation and build consensus on main policy changes that you think are important
- **Making your input, developing key messages** - compare country’s draft NRPs with considerations and requirements that you consider fundamental and with previous cycle’s documents. It is crucial to prepare key messages before having received a draft text or being offered to provide inputs on it
- **Reviewing CSRs for your country** - propose new alternative CSRs. Proposals should be sent to the Government, together with comments on NRPs, and they should be shared with EASPD
- **Disseminating your message and promoting public debate** - spread your message with the public, through engagement with press, politicians, other NGOs and social media

The **timeframe** for the engagement of civil society organisations is as follows:

TIMEFRAME - Civil society engagement in the European Semester	
September - October 2014	Identify who to contact in the national ministry and ask to participate in the stakeholders’ engagement process
October 2014 - Early January 2015	Brief members, develop key messages and provide input to draft NRPs
October 2014 - Mid-January 2015	Draft alternative CSRs and send them to EASPD
End January 2015	EASPD should send alternative CSRs to the European Commission
March - April/June 2015	Wait for a feedback in NRPs and CSRs
	Start all over again the following year

For more information on how to get involved in the European Semester, please read our [presentation](#).

KEY INSTRUMENTS FOR ENGAGEMENT

In order to ensure that the civil society organisations' perspective is taken into account during the whole process, the Semester Alliance has developed a [toolkit on how to engage with Europe 2020 and the European Semester 2014-2015](#). This can be seen as a mean to support the preparation and involvement of stakeholders and civil society organisations into next year's cycle, in order for them to contribute to the drafting of NRPs in line with their social objectives. The toolkit's main scope is therefore to stress the need for the European Semester to be reoriented towards social, educational and environmental targets, as set out in the EU2020 Strategy, with the aim to achieve a 'more democratic, social and sustainable Europe'. It will soon be made available in the following languages: FR, GER, IT, HUN, FI, BUL.

The **European Semester** in a **nutshell**:

- a governance instrument to ensure **better coordination** between Member States in the implementation of different EU policies and strategies (Stability and Growth Pact, EU2020 targets, Social Investment Package)
- a six-months cycle, taking place annually, during which Member States have to report on the reforms they will put in place to achieve the objectives set out in the AGS and on which they receive feedback and recommendations from EU institutions
- a process based on three pillars (economic, fiscal and social) with a particular emphasis on the need for economic and fiscal coordination and surveillance between Members States and little (but increasing) focus on social objectives
- Civil society should try to play an active role in this process, in order to have an impact on the policy making process at national level and claim for investments in the social services' sector, in line with the EU 2020 objectives.

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