



ECO/ESG

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**APPENDIX**  
**to the**  
**own-initiative opinion**

**Reform and investment proposals and their implementation in the Member States – what is the  
opinion of organised civil society? (2023-2024 European Semester cycle)**

**of the**  
**European Semester Group**

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**Results of the consultations of organised civil society in 26 Member States**

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## 1. INTRODUCTION

With the own-initiative opinion ECO/631<sup>1</sup>, the European Semester Group (ESG) has continued the work started in 2021: consulting social partners, civil society organisations, national economic and social councils, and national, regional and local stakeholders from EU Member States on a key topic of the European Semester: *Reform and investment proposals and their implementation in the Member States – what is the opinion of organised civil society? (2023-2024 European Semester cycle)*.

The ESG gathered the views of these stakeholders by means of a questionnaire and a series of country visits between December 2023 and March 2024<sup>2</sup>. The questionnaire consists of twelve questions, grouped around three main topics:

- I. **The reform and investment measures in the Member States**, in particular those **based on the country-specific recommendations 2023<sup>3</sup>**, and **their implementation**;  
The aim being to assess the effectiveness of these measures and the possibilities for better targeting of proposals, improved implementation, and the monitoring and involvement of organised civil society in the procedures.
- II. **The review of the EU economic governance rules<sup>4</sup>**;  
The central objective of which is to strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reforms and investment.
- III. **The implementation of the reforms and investments provided for in the national Recovery and Resilience Plans<sup>5</sup>**;  
The Regulation establishing the Recovery and Resilience Facility (RRF) requires the Commission and the Member States to monitor progress in implementing the national RRFs and to report to various stakeholders on the implementation of the RRF.

**In total, representatives of 26<sup>6</sup> out of 27 Member States participated to this consultation exercise.**

Section 2 of this appendix provides a brief description of the methodology used to collect information.

Section 3 outlines the questionnaire and gives an executive summary of the national responses to each question.

Section 4 presents the detailed outcome of the consultations carried out via the questionnaire and the round tables.

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<sup>1</sup> [Reform and investment proposals and their implementation in the Member States – what is the opinion of organised civil society? \(2023-2024 European Semester cycle\)](#)

<sup>2</sup> All the round table reports are published here: [Ad hoc group on the European Semester](#)

<sup>3</sup> [2023 European Semester: Country Specific Recommendations / Commission Recommendations](#)

<sup>4</sup> [New economic governance rules fit for the future](#)

<sup>5</sup> [The Recovery and Resilience Facility](#), European Commission

<sup>6</sup> All EU Member States, except Malta. The ESG delegation for Malta did not take part in this consultation.

## 2. METHODOLOGY FOR COLLECTING INFORMATION

The contributions for each country were prepared/coordinated under the responsibility of **national delegations**, made up of three EESC members representing each of the three groups of the EESC (Group I - Employers, Group II - Workers, and Group III - Civil Society Organisations).

**Sixteen delegations contributed to this exercise by providing a response to the questionnaire** (based on their own knowledge of the subjects and/or by consulting representatives of national organisations attached to their group).

**Ten delegations contributed to this exercise by organising a round table in their country** to meet and discuss with stakeholders directly. These round tables were held in France, Slovakia, Slovenia, Poland, Finland, Portugal, Romania, Greece, Cyprus and Lithuania<sup>7</sup>. The consultation via the round tables was also based on the questions of the questionnaire.

Furthermore, **the questionnaire was also sent to the EESC Liaison Group**<sup>8</sup>, where European civil society umbrella organisations and networks are represented. The joint contribution of the participating organisations is also included in this appendix (point 4.1).

The table below provides an overview of the countries that participated in the consultation process, the method used to collect information (questionnaire either/or round table), and the extent of representation of the three groups within the consultation process in each country.

Country	Response to the Questionnaire	Round table
Austria (AT)	X	
Belgium (BE)	X	
Bulgaria (BG)	X	
Croatia (HR)	X	
Cyprus (CY)		X
Czechia (CZ)	X	
Denmark (DK)	X	
Estonia (EE)	X	
Finland (FI)		X
France (FR)		X
Germany (DE)	X	
Greece (EL)		X
Hungary (HU)	X	
Ireland (IE)	X	
Italy (IT)	X	
Latvia (LV)	X	
Lithuania (LT)		X
Luxembourg (LU)	X	

<sup>7</sup> All the round table reports are published here: [Ad hoc group on the European Semester](#)

<sup>8</sup> [Liaison Group](#)

<b>Malta (MT)<sup>9</sup></b>		
<b>The Netherlands (NL)</b>	X	
<b>Portugal (PT)</b>		X
<b>Poland (PL)</b>		X
<b>Romania (RO)</b>		X
<b>Slovakia (SK)</b>		X
<b>Slovenia (SI)</b>		X
<b>Spain (ES)</b>	X	
<b>Sweden (SE)</b>	X	

If a written contribution was also received from a delegation in addition to a round table in their country, it has been incorporated into the round table report.

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<sup>9</sup> All EU Member States, except Malta. The ESG delegation for Malta did not take part in this consultation.

### 3. EXECUTIVE SUMMARIES OF THE FINDINGS OF THIS CONSULTATION

The summaries, which can be found under each of the questions of this consultation, include the findings of the ten round tables and 26 questionnaire responses.

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

##### **Question 1:**

**What is your opinion on the priorities identified by the Commission in the country-specific recommendations for your country in 2023? Are they sufficiently in line with your organisation's interests and do they address the challenges facing your country?**

In general, the CSRs are seen as relevant and appropriate, although they do not sufficiently address social issues, prioritising financial aspects. However, their implementation at national level is judged more critically.

In most member states, OCS underlined its support for the strong emphasis in the country-specific recommendations on green and digital transitions and on the use of the substantial EU funds channelled to Member States' economies to stimulate a just transition. According to organised civil society in Austria, Belgium, Denmark, Estonia, Italy, Latvia, Spain, Sweden and the Netherlands, and according to representatives of the Liaison Group members, in general, the CSRs are appropriate and/or have improved over the years. The priorities are generally in line with the interests of CSOs and social partners, with some reservations as to how to approach the recommendations according to each country's specific situation. In Croatia, Cyprus, the Czech Republic, Germany, Greece, Hungary, Ireland, Lithuania, Luxembourg and Slovakia, organised civil society has a rather mixed view of the priorities identified in the CSRs. OCS indicates that the CSRs do not take sufficient account of the socio-economic characteristics and realities of the country. This is demonstrated by the fact that some countries have identical solutions proposed for very different situations. In Ireland and Luxembourg, for example, it was deplored that there were no recommendations to address the housing crisis. It was also pointed out that the CSRs are very general – they are not targeted and are not monitored. The priorities seem to be short-sighted. In Germany, OCS also pointed out that the CSRs do not address a number of underlying and structural issues. OCS gave a rather negative assessment of the situation in Finland, Poland, Portugal and Slovenia. For example, in Finland, Portugal and Slovenia, it was deplored that there was no CSR to encourage the improvement of Member States' tax systems. In addition, in Poland it was noted that some recommendations are too complex, and that the proposed reforms are not ambitious enough given the complexity of the social, economic, environmental and global challenges.

With regard to the more specific issues addressed by the CSRs, it was stressed, for example in Finland, that future CSRs should also include policy proposals concerning taxation, and that greater attention should be paid to aspects relating to this topic or to the tax multiplier. Furthermore, according to OCS, particularly in Italy, the reorganisation of tax relief suggested by the EC should be carried out selectively and not by pursuing the current path of linear reductions.

Another aspect raised, in Belgium and Spain for example, was that CSRs should deal more with competitiveness, something which is currently lacking. In addition, it was requested, also in Greece, that CSRs promote competitiveness and social resilience to a greater extent.

Moreover, organised civil society, in Croatia, Denmark, Poland, Portugal and Slovenia in particular, pointed out that too much emphasis is placed on economic reforms and not enough on social needs. The focus is on fiscal sustainability, ignoring the social aspect of these systems. In Poland and Portugal, it was also stressed that a recommendation should be provided to further encourage Member States to achieve the objectives of the European Pillar of Social Rights (EPSR). Conditionality must be not only economic, but also social. It was also pointed out in Austria that, as far as digital transformation is concerned, the CSRs must take greater account of digital divides and the victims of discrimination in access to digital tools. OCS also asked that a more concrete and impactful reference be made in the CSRs to the need for action in the area of poverty reduction. In Poland, Spain and Slovakia, measures were also called for to support the most vulnerable groups

against inflation. There has also been a call in these countries, and also in Austria, Czechia, Hungary and in Poland, for the CSRs to take account of the need to better integrate marginalised groups and to increase the participation of certain groups in the labour market. In Hungary and in Czechia, OCS underlined the need to draw attention to the insensitivity to territorial inequalities, demographic and social imbalances. It was also emphasised, particularly in Denmark, Latvia and Poland, that the labour market and social affairs need to be mentioned, as labour and skills shortages (indispensable for the twin transition) are among the main challenges to be tackled. In Ireland, OCS stated that CSRs do not sufficiently identify the fact that the cost of the green transition will be borne disproportionately by the poorest households and communities.

Finally, in some countries, such as Croatia and Poland, there was a call for greater account to be taken of potential political reactions to fear-based narratives about the green transition.

### **Question 2:**

**How would you assess the effectiveness of the reform and investment measures proposed by the Commission in these recommendations?**

With regard to the effectiveness of the reform and investment measures proposed by the Commission to the Member States, OCS considers, particularly in Belgium, Czechia, Hungary, Luxembourg and Poland, that the process of implementing reforms is rather slow and that the government does not go far enough in implementing them, which reduces their effectiveness. In Denmark, the proposed measures are considered adequate in themselves, but their implementation and redistributive effects remain uncertain. In Hungary and in Poland, it was stressed that the recommendations are often repeated from one cycle of the European Semester to the next, which shows how slowly or unevenly they are implemented. In Germany, OCS points out that the measures are either ignored or impossible to implement, as they do not respect the existing conditions and constraints in the concerned countries. Furthermore, the measures often seem short-sighted and linked to objectives that are easily achievable and, from a quantitative point of view, easily attainable. Several recommendations are repeated year after year, which shows the lack of appropriate follow-up and of meaningful, relevant and effective tools to encourage countries to actually implement the recommendations. No measures have been put in place to ensure that reforms are systemic and not reversed after the Commission's assessment. National Reform Programmes and Stability/Convergence Programmes created by Member States often propose unpopular reforms which are then blamed on the EU. Furthermore, in Latvia for example, OCS believes that these recommendations would be more effective if they were linked to broader EU financial support (e.g. EU own resources, or similar) and be better coordinated.

On a positive note, however, in Austria, Croatia, Estonia, Italy, Sweden, Slovakia and the Netherlands, OCS generally gave a positive assessment of the effectiveness of the reform and investment measures proposed by the EC in the CSRs, while stressing the importance of ongoing dialogue between the Commission, the government and the social partners and civil society in order to speed up the implementation of reforms.

### **Question 3:**

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

With regard to the way in which organised civil society is involved in the dialogue with the governments and the Commission, organised civil society, particularly in Austria, Croatia, Denmark, France, Ireland, Italy, Lithuania, Luxembourg, Sweden and the Netherlands, has raised a number of positive points. In France and Luxembourg, there is formal involvement via a structured dialogue with the government, through which civil society can express its point of view. In Italy, a substantial improvement in dialogue has been observed, with formalised and structured moments of dialogue with the social partners. In Austria and in Latvia, formal involvement takes place at various levels, with varying degrees of quality. In Denmark, there is a formal and established dialogue, as well as a series of meetings in which OCS participates. In Czechia, there are formal and informal links between OCS and the government, particularly with employers' representatives.

However, other critical aspects were noted. In Croatia, France, Italy, Ireland, Poland, Portugal and Sweden, the lack of time to provide feedback while engaging in constructive dialogue was highlighted. Dialogue is informative only, with no opportunity to provide substantial feedback. In addition, in France, Hungary and Sweden, OCS pointed out that the degree of involvement of different civil society organisations and social partners in the consultation is unbalanced. Furthermore, although such dialogue exists in Austria, it is felt that its quality is variable and therefore not guaranteed. In Belgium, Croatia, Czechia, Estonia, Ireland and Romania, it was reported that this dialogue with the government is only at the last minute and pro forma, without the possibility of providing substantial feedback and with no apparent follow-up to discussions. The CSOs, for example in Greece, regret that they are not informed by a formal or informal process. There is no mechanism or structured framework for institutional dialogue involving the social partners and the CSOs. Furthermore, in Luxembourg, OCS stated that despite a structured involvement in consultations, the social partners' documents are not yet sufficiently debated, and the meetings are more exchanges of opinions than real exchanges and negotiations. In Luxembourg and Czechia, OCS regrets that consultation activities are not binding on the government. In Lithuania, the lack of consultation and dialogue at local and municipal level was also deplored.

In conclusion, the main points of criticism raised by OCS in several Member States were that:

- the involvement has been reduced over the last few years;
- the involvement was not formal, structured or permanent, varied in quality, with an imbalance in the implications of the organisations of OCS;;
- the dialogue with OCS was considered weak, ineffective, last-minute and pro forma, with no apparent follow-up to discussions;
- the time allowed for giving an opinion is very short and does not allow for optimal consultation;
- the awareness of the European Semester was insufficient in the public arena and that, as a result, OCS interest in the subject was low;
- the lack of involvement of OCS in the European Semester process during the adoption of documents was deplored.

In a majority of countries, the lack of involvement of regional and local authorities was also highlighted. Finally, according to the members of the Liaison Group, there is little room for engagement in the consultations for the European Semester. The process remains opaque and the imprecision of certain national reports or the CSRs of certain countries clearly shows that insufficient data has been collected, which can be correlated with insufficient consultation space for civil society.

There is potential for improving the consultation processes. Therefore, organised civil society recommends:

- multiplying the channels for discussion, even the most formal ones, through working groups scheduled over time, which can facilitate dialogue between the social partners, civil society organisations, local and regional authorities, the government and the EC;
- consultations to take place at least twice during each annual six-month process, with the last meeting taking place just before the government adopts the final document;
- that business associations and NGOs that are not social partners be included in the consultations;
- that the national government conduct full dialogues on all European Semester documents, not solely in the context of the creation of the National Reform Programme, and that the ministries develop the planned measures in more detail in the initial phase and listen to the points and suggestions of the social partners and civil society organisations;
- the creation of a European Semester Group within the national Economic and Social Council;
- promoting the participation of citizens and young people in various forms of non-formal education, particularly those linked to specific skills in the areas in which they are professionally engaged;
- establishing clear guidelines on how this participation works and for transparent communication to the public;
- the length of the public consultation must be appropriate, depending on the importance of the legislation being processed and that the legal deadlines (30 or 21 days) for the consultation be



respected ;

- all draft laws should be subject to mandatory public consultation. Amendments tabled in the course of the legislative process should include a statement of reasons and an impact assessment;
- consultations should be conducted with as broad a group as possible and take various forms, both open public consultations in which documents are discussed and in the consultative and advisory bodies that have been set up.
- every year, all Member States should publish regular reports on the consultation process, transmit them to the European Commission and national parliaments and make them publicly available.

## **Section II: The review of the EU's economic governance rules.**

### **Question 4:**

**Do you generally agree or disagree with this reform proposal? What are the main advantages and/or disadvantages that you see? Please explain why.**

With regard to the position of organised civil society on the proposed revision of the EU's economic governance framework, and the main advantages and disadvantages it entails, it was often considered positively, for example in Belgium, that this revision brings greater transparency to this framework and therefore better understanding by citizens. In Belgium, OCS believe that the focus on net primary expenditure facilitates the development of medium-term adjustment paths. Furthermore, in Croatia Denmark, Italy and Spain, it is welcome that debt and deficit adjustment paths are differentiated according to the specific situation of each country through the elaboration of a national medium-term fiscal-structural plan. Debt and deficit adjustment paths can be spread over a longer period, which reinforces the "growth" dimension as opposed to the "stability" aspect. In Hungary, OCS welcomes the more sustainable control of debt servicing with economic growth, while maintaining fiscal control. In Latvia and in Greece, OCS welcomes the link established between Member States' medium-term plans for budgetary policies and the necessary reforms and investments required by the European Commission's recommendations. In Greece, the OCS considers the new framework to be simpler and more transparent. In the Netherlands, OCS welcomes the fact that this revision includes a more realistic and country-specific debt reduction path for Member States with debt ratios above 60%. Sweden, Germany and Italy in particular see an increased flexibility of the rules, which will make it possible to stimulate long-term planning. Croatia also welcomed the fact that the revision will reduce the pro-cyclical nature of the fiscal rules. In Finland, OCS welcomes the fact that fiscal rules and their implementation must be the same for all Member States and that they must preserve sound public finances. In Austria, the importance of clear responsibilities and disentangling financial flows and the contribution of the reforms to greater efficiency and transparency in economic governance was emphasised.

However, parts of organised civil society are critical of this revision. Not all Member States agree on the added value and the positive effects of greater flexibility. In Belgium, OCS stresses that flexibility must go hand in hand with proper and credible application of the new rules.. In Hungary, the SCO doubts whether this new framework can provide the solid support needed to manage crises and recessions, or to tackle urgent environmental problems. The annual correction rule is considered too rigid for crisis and recession management. According to OCS in Spain, the analysis of debt sustainability currently includes pro-cyclical elements, and is therefore biased in relation to the role of investments in debt sustainability. It also points out that the newly introduced safeguard clauses risk distorting the principle of differentiation. In Italy, the risk of planning a medium-term budget without intervening structurally in economic trends is highlighted. It is argued that dissatisfaction with the agreement reached on the Stability and Growth Pact (SGP) could lead countries to face 'unsustainable' public spending. According to OCS in Luxembourg, the revision has not brought any simplification and the rules are still as complex as the current ones; the 'national ownership' dimension also remains insufficient and OCS pointed out that the reference adjustment path for Member States' net expenditure may deviate from the technical path defined by the Commission, if based on different assumptions. It also regrets that this revision does not include a golden rule for investment in the green and digital transitions. It also fears that the SGP will continue to be

breached, even under the new rules. Some also feel that sanctions run counter to European solidarity and have an anti-cyclical effect. Others, in Croatia for example, express doubts about the Commission's ability to resist political pressure from net contributor Member States which are richer, larger and generally more influential in bilateral negotiations. Others are concerned about the consequences of overly restrictive fiscal policies that would lead to austerity and prevent Member States from achieving the EU's social and climate objectives. In Austria, there is concern that many Member States are cutting back spending significantly, leaving too little room for urgently needed investment in the socio-ecological transition. Moreover, the members of the Liaison Group are calling for a golden rule to support investment in education and training. Meanwhile, in Germany, OCS is more in favour of budgetary discipline and the old rules. In addition, in Latvia and Portugal, OCS is concerned that the proposed revised framework entails a risk that the social partners and civil society organisations will be even less involved in the choice governments make when drawing up medium-term plans. In Greece, there are concerns that the obligation of Member States to reduce, by an average of 0.5% of GDP annually, their budget deficit that is above 3% , is likely to lead to overly restrictive fiscal policies. In Poland, OCS believes that pursuing deficit reduction, with the specific objective of setting the debt-to-GDP ratio on a downward path, could reduce sources of investment and social expenditure at a time when both are absolutely necessary. Finally, in Lithuania it was pointed out that this revision of the rules could be successful in Lithuania and the other northern countries, but that it might not be in the southern countries, which would affect the interests of the European Union as a whole.

Among the Members States consulted, organised civil society made the following demands regarding this revision of the EU's economic governance framework:

- that the proposal's greater flexibility be matched by stricter enforcement to ensure the sustainability of public finances;
- that a balance be struck in fiscal policy between reducing debt while preserving public investment and growth, which will be the main challenge for over-indebted countries;
- that the dimension of national ownership be strengthened by a closer involvement of national parliaments, regional and local authorities, social partners and civil society, and that this be even more clearly mentioned (in a binding manner) than in the legislation of the Recovery and Resilience Facility;
- that the involvement of organised civil society constitutes a long-term social agreement or social pact, through the establishment of a standard at European level for the involvement of OCS in the European Semester process/the European economic governance framework;
- that the application of the rules and the stimulation of investment and consumption be addressed if the reform is to succeed;
- stronger solidarity between surplus and indebted Member States;
- that a RFF 2.0 be created for pan-European investments and long-term and strategic ones for Member States that need it;
- that Member States should be given more room for manoeuvre to adapt to unforeseen circumstances;
- that objectives be defined in a strategic direction through clear rules, rather than in the form of constraints;
- that investment expenditure with a high social and economic impact should not be included in the calculation of the deficit, which is decisive for increasing and strengthening the Union's competitiveness;
- to determine what kind of expenditure should not be cut to reduce deficit and debt levels - this should include areas important to the public or military, which should not be counted in the EU's calculation of debt and deficit levels;
- that the formalism that permeates the European approach to economic governance be discarded in favour of a NextGenerationEU-type model;
- to exclude spending on defence, ecological transition and digitisation from debt/deficit calculations;
- there must be established an independent, reliable and transparent mechanism in order to ensure that Member States fulfil the commitments made in their medium-term fiscal-structural plans.

**Question 5:**

**Has your organisation been consulted or is it being consulted in defining the position of your government on the Commission legislative proposal currently under discussion within the European Parliament and the Council of Ministers? If so: how? And do you feel that the views of your organisations and civil society at large had been or are being taken into consideration? If not, how would you like to have been involved in the process?**

With regard to the consultation of organised civil society carried out by national governments to define their position on the Commission's legislative proposal, the majority of representatives of organised civil society in the Member States mentioned and regretted that they had not been consulted. For this reason, they explained that:

- a formal consultation process should be put in place to allow the social partners and civil society to feed their views into the government's position;
- the Commission's European Semester officers could take part as observers in consultations between OCS and the government;
- direct engagement by means of one-to-one meetings with relevant State's department and with EC's European Semester officers;
- the consultation on this issue could have taken place in the context of the social dialogue meetings on the European Semester (if any) with the government, and that it should have been discussed in the context of formal procedures, with the national economic and social council;
- there is an urgent need to strengthen the involvement and consideration of civil society perspectives. This crucial issue for economic policy needs to be developed and implemented in a more democratic way. The social partners and civil society should be formally consulted and given the opportunity to present their proposals as part of a comprehensive dialogue process with the national government;
- if consultative forums have already been set up, it is essential to optimise consultation with OCS;
- this would also help to dispel the pervasive misunderstanding that European legislation is made without the Member States in Brussels.

**Question 6:**

**According to the proposal, each Member State would draw up a national medium-term fiscal-structural plan. Furthermore, it would be possible to extend the fiscal adjustment period if underpinned by specific reform and investments. Do you think that such plans would be effective to encourage specific reform and investments?**

On the one hand, organised civil society raised a number of positive points regarding the potential effectiveness of national medium-term fiscal-structural plans in encouraging specific reforms and investments. In the majority of the Member States, these proposals for plans are generally well received by OCS, where it has been stressed that any instrument that encourages political decision-makers to take account of medium and long-term issues in their planning is favourably perceived. In particular, they would be an effective tool for promoting specific reforms and investments in the field of healthcare, and they would enable the country to improve its competitiveness, for example by tackling the decline in the quality of education, in particular in Slovakia. The possibility of extending deadlines for specific commitments and the potential of the plans to avoid a pro-cyclical fiscal policy is viewed positively. It was also emphasised that the plans will contribute to greater ownership by Member States of their recovery, and provide tangible actions that can not only encourage reforms and investments to ensure fiscal stability, but also find ways to effectively implement overdue reforms and investments. In addition, in Denmark, it was emphasised that the effectiveness of plans to encourage reforms and investment will depend very much on benchmarking and corrective action.

On the other hand, organised civil society has also been critical. In Germany, in particular, it is felt that this revision will not be sufficient, and there are fears of a further de-democratisation of the EU's economic governance. In Belgium, despite the potential effectiveness of these plans in encouraging reform and investment, OCS is calling for more measures in this direction, and states

that other methods should ensure that reforms and investment, which are crucial and absolutely necessary for the future of EU countries, are undertaken by the government. In Italy, some believe that the flexibility introduced is not sufficient to carry out the expansionary economic manoeuvres needed in the coming years. In Austria, some believe that these tax plans do not represent a break with previous restrictive fiscal rules, and that there is therefore a risk that the "just transition" will be slowed down because of the fiscal rules.

Finally, in most of the Member States, it has been stressed that it is essential for the governments of the Member States to consult organised civil society on an ongoing and permanent basis within the framework of these plans in order to define the priorities of the reforms and the investments targeted and then to ensure their effective implementation by ensuring the real and democratic support of the citizens. The degree of involvement of national political and social partners and civil society organisations in the development of plans will be decisive for their effectiveness. OCS is also calling for:

- the plans to take into account the specific situation of Member States, support long-term stability and development and contribute to regional balance and environmental sustainability;
- attention to be paid to the effectiveness and efficiency of public investment, the risk of crowding out and the need to strike a balance between control and overly strict management;
- the plans to be realistic in terms of assessing the success of the reforms and investments envisaged;
- the plans to be based on a wide multi-faceted consultation, in particular with OCS, and consensus;
- the plans to be constantly monitored by the European authorities, the Parliament, the social partners and civil society organisations;
- in order to monitor the implementation of the plan, an annual report analysing deviations, including relating to social aspects, and proposals for corrections to be drawn up;
- the plans to be supported in their implementation by a subsidiary relationship between public and private parties;
- the plans to be accompanied by the creation of new instruments that respond to a vision of a unitary European industrial policy;
- the plans should be aligned with social and environmental goals;
- for awareness to be raised through a strong communication campaign to ensure that citizens understand and support the national plan;
- this dialogue to contribute to Member States taking greater ownership of their recovery, and provide tangible actions that can not only encourage reforms and investments to ensure fiscal stability, but also find ways to effectively implement overdue reforms and investments;
- the possible effects of implementing the plan to address social tensions to be widely discussed and in the event of emergencies.

#### **Question 7:**

**The new rules propose to strengthen the capacity of Member States to undertake reforms and investment to support common priorities (such as the twin transitions), thus reinforcing the "growth" leg rather than the "stability" leg, compared with the old rules. Do you think Member States will have sufficient flexibility within their medium-term fiscal-structural plans to promote such reforms and investments, while they also need to adhere to the 3% deficit and 60% debt-to-GDP rules?**

In Belgium, Denmark, Greece, Finland, Luxembourg and the Netherlands in particular, organised civil society welcomes the flexibility provided by the revised rules. It was stressed that such flexibility should be built into medium-term budgetary and structural plans to promote such reforms and investment, despite Member States also adhering to the rules of a 3% deficit and 60% debt to GDP ratio. They also stress that the plans have to be sufficiently flexible to adapt to changing circumstances, new needs and priorities, and to ensure that fiscal policy does not have a counter-cyclical effect. Furthermore, in Finland, OCS believes that there should not be too much flexibility either, as this could undermine the credibility of the whole process. These plans are essential to boost growth, and the future of job creation and the stability of the welfare system depend on them.

In Austria, Estonia, Ireland, Italy, Latvia, Lithuania and Spain in particular, it is felt that making the rules more flexible has not gone far enough.

OCS underlines several aspects that need to be taken into account if the new rules are to be successful, such as:

- a decision to exclude social investment from the calculation of the deficit;
- capital account and current expenditure investments based on CSRs should not be included in the calculation of the deficit;
- investments made directly by companies for the ongoing training of employees be excluded from the State aid map;
- we need dynamic rules that can adapt to economic situations, that do not harm growth and that also reduce public debt by freeing up resources, services and the potential of the State in favour of the market and the social economy;
- we are a long way from an urgent realignment towards socio-ecological progress, and that it is therefore necessary to strengthen the growth aspect without neglecting the stability rules;
- it would be a good idea to include what are known as "denominator effects": GDP increases only if there is sufficient investment; as a result, the debt ratio falls;
- measures to promote the green transition must take account of the economic component and the burdens shared by all stakeholders;
- that there is a clear and rigorous taxonomy of what is included in green/social investments and that it is followed to the letter by the Member States;
- adapting to each Member State and encouraging investments that lead to sustainable growth and employment;
- the need to provide for the possibility of making adjustments and deviating from the strict conditions for Member States which follow the CSRs formulated within the framework of the European Semester, but for which the investments required to implement them lead to non-compliance with the 3% deficit rule.

In Bulgaria, Czechia, Germany, Hungary, Croatia and Sweden in particular, the OCS expresses doubts about the potential flexibility granted by the revised rules, and about the way these rules would make it possible, in particular, to meet the colossal investment needs arising from the various challenges of climate, society and economic resilience. OCS believes that certain Member States will still be unable to finance the necessary reforms and investments, that taxation remains inadequate and that Member States lack the administrative capacity, combined with national constraints, to implement these reforms and investments effectively. This revision of the economic governance framework and these envisaged plans will not provide sufficient fiscal room for manoeuvre to achieve the green transition. In addition, OCS in Latvia is of the opinion that Member States should make greater efforts not to deviate from reasonable and necessary stability rules, exceptions should only be made to follow country-specific recommendations made in the European Semester. Finally, in Hungary, it was pointed out that the lack of real flexibility particularly affects Member States with larger budget deficits, and OCS fears that the room for manoeuvre for deficit economies will be minimal or negligible. In times of crisis and recession, urgent reforms and resources are needed, hence the need for more flexible excessive deficit rules to allow rapid intervention.

### **Section III: The implementation of the reforms and investments provided for in the national Recovery and Resilience Plans.**

For the preparation and implementation of the Recovery and Resilience Plan (RRPs), the Regulation<sup>10</sup> establishing the Recovery and Resilience Facility (RRF)<sup>11</sup> requires a summary of the consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and

<sup>10</sup> Article 18, 4, (q) - [OJ L 57, 18.2.2021, p. 17](#)

<sup>11</sup> [Recovery and Resilience Facility, European Commission](#)

how the input of the stakeholders is reflected in the RRP. It also requires the Commission and the Member States to monitor progress in implementing the national RRP and to report to various stakeholders on the implementation of the RRF<sup>12</sup>.

**Question 8:**

**In your opinion, have the recovery and resilience plans improved the implementation of the reforms and investments proposed in the country-specific recommendations or made it more complicated? Why?**

With regard to organised civil society's views on the correlation between the RRF, this performance-based financing instrument and the implementation of the reforms and investments proposed in the CSRs, it has been assessed, in particular in Austria, Croatia, Czechia, Estonia, Italy, Latvia and Spain, that the interplay between the commitments of the RRP and the CSRs has created a more rigorous implementation mechanism. The incorporation of the CSRs into the RRP has increased the transparency of the CSRs. As a result, the implementation of recommendations has improved. However, Liaison Group members also pointed out that the timetable for providing feedback on CSRs and national RRP has actually limited the number of opportunities for civil society organisations to provide meaningful input. In Belgium, Bulgaria, Germany, Denmark, Hungary, Ireland, Luxembourg, Sweden and the Netherlands, OCS explained that the RRP alone has not brought clear improvements in the implementation of reforms and investments proposed in the CSRs. In Denmark and in Germany, the improvement in the implementation of the reforms proposed by the CSRs as a result of the RRP was considered to be moderate, given that most of the proposed reforms were already under way and would have been carried out anyway. In Ireland, the RRP is also considered not to have proposed any significant new initiative.

The following recommendations were highlighted:

- economic and fiscal policies should always take into account the implementation of the social agenda, such as the EPSR and the action plan for the social economy;
- the EC should continue to push Member States to simplify administrative procedures and complete the legislative framework on the green transition, which will ultimately simplify implementation;
- the transparency of the RRP should be improved by providing updated data at least every quarter on the implementation of projects and the use of resources, the respect of the commitment to give 40% of resources to the regions of the South and the continuous monitoring of the application of the 30% clause concerning the hiring of young people, women and disabled people in public procurement;
- it is necessary to strengthen the role of central and local public administrations in implementing the RRP;
- the National Reform Programme (NRP) (which take into account the CSRs) should complement and be linked to the RRP, and cohesion policy should also be linked to the NRP, as complementarity and synergies between cohesion policy and the RRP are very important for strategic development and strengthening the country's economic and social resilience.

**Question 9:**

**Based on the multiple-choice options below, what do you consider to be the main action(s) to be taken to increase the role of social partners, civil society organisations and local and regional authorities in the implementation and monitoring of the RRP?**

**(Please choose which of the 6 items that apply(ies) and explain your choice).**

Organised civil society ranked the following actions, in order of priority support, as the main ones needed to increase their role in the implementation and monitoring of the RRP:

- I. a formal, permanent and structured consultation process in which national government works closely with authorities at all levels and in partnership with trade unions, employers, non-governmental organisations and other responsible bodies throughout the whole

<sup>12</sup> [OJ L 57, 18.2.2021, p. 17](#)



- II. measure cycle consisting of preparation, implementation, monitoring and evaluation; for each measure, Member States will identify the relevant partners among local and regional authorities, trade unions, employers, non-governmental organisations and other responsible bodies, and consult them on the process and timetable of the preparation of that measure.
- III. regular reports on the consultation process should be published annually, transmitted to the European Commission and the national parliaments and made available to OCS and the general public in each Member State;
- IV. the procedure should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process;
- V. the consultation process should be commonly defined in an EU regulation;

Organised civil society underlined that:

- a common EU regulation should address the basic rights and characteristics of the participation process;
- such regulation could also provide for appropriate consequences, including potential penalties, in the event of non-compliance with the relevant provisions;
- there must be increased participation in a regular and transparent dialogue during the assessment phase of the RRP;
- national regulations should structure the consultative process of representative organisations and bodies, within a specific body or a pre-existing body to which these functions are legally attributed (existing national economic and social councils should also play an important role in this process);
- it is important for structured dialogue/confrontation to take place before actions and projects are implemented;
- the involvement of the social partners and CSOs in this process should be formalised. The EC should request a separate opinion from civil society and the social partners on the reforms adopted. The government needs to strike a balance between civil dialogue and social dialogue because all stakeholders need to work together on the roadmap, the reports and the results for citizens;
- all generations, including young people should be part of the civil dialogue in the RRP;
- formal, continuous and structured consultations, timely and targeted meetings and information sharing, as well as the involvement of relevant partners throughout the action cycle, are considered important to strengthen the role of social partners and civil society;
- the involvement of the social partners and other civil society organisations should be more binding throughout the process. A formal, permanent and structured process would ensure adequate and meaningful participation. It will strengthen transparency and accountability.

#### **Question 10:**

**Have there been delays in implementing the planned investments and reforms in your country? If yes, what negative effects has this had and how can this situation be remedied?**

There have been numerous delays in implementing the investments and reforms set out in the RRP, particularly in most of the Member States.. Among other things, organised civil society is reporting delays:

- in payments by the EC and in the implementation of investments, particularly for regional and local governments and for businesses;
- due to bureaucracy and bottlenecks at various levels;
- due to the novelty of the mechanism;
- due to external shocks;
- due to a change of government;
- due to the poor planning capacity of the public administration system;
- due to the low elasticity of the country's economic fabric to adapt to the absorption and implementation of substantial amounts of money in a short space of time;
- due to regulatory uncertainty and the complications of a protracted planning process;

- due to changes to the RRF plan to achieve investments in line with the RePowerEU plan, which are relatively slow;
- due to conflict of interest rules that restrict parties' involvement in various major projects, which are too stringent.

These delays particularly affect reforms. The postponement or cancellation of investment and a general lack of certainty have hampered growth and innovation for small businesses, including the agricultural sector. Finally, the location of major infrastructure projects remains a problem and organised civil society, for example in Slovenia, has suggested multi-year calls for investment aid.

Organised civil society therefore proposes:

- that more flexible investment periods be granted;
- counter-cyclical public investment to support jobs and growth in times of recession;
- a greater role for public-private partnerships, co-programming and co-planning to overcome implementation delays;
- better communication of information on projects and tenders, the need for more targeted assistance and the need for a more appropriate mechanism for monitoring and the proper flow of information;
- that the European Commission should consider the possibility of implementing national RRP projects in the longer term.

#### **Question 11:**

**As we reach the mid-term implementation of the Recovery and Resilience Plans (ending in 2026) and the ongoing review of the EU's economic governance framework, what lessons have been learned that should be applied to the design, implementation and monitoring of the future medium-term fiscal-structural plans that have been proposed by the Commission?**

With regard to the lessons learned by organised civil society midway through the implementation of the Recovery and Resilience Plans (which will end in 2026) and the ongoing review of the EU's economic governance framework, which should be applied to the design, implementation and monitoring of the future medium-term fiscal-structural plans proposed by the Commission, it was highlighted for the design of the plans that:

- binding social criteria must be included;
- a longer programming period should be foreseen in order to increase the scope of OCS consultation;
- additional measures be included in the plans to encourage reform;
- additional measures should be included in the plans to ensure that the green and digital transitions are linked to lifelong learning, given their impact on the labour market;
- social partners and civil society should be involved at all stages of the process;
- national parliaments and regional and local authorities be included;
- disbursement rules should be simplified and made more flexible;
- coordination between the RRP and the Structural and Cohesion Funds and the Common Agricultural Policy must be promoted from the planning stage onwards;
- the ability to react and adapt quickly to crises must be increased in the drafting and amendment of plans;
- clear traceability of processes and funding must be ensured;
- investment must be directed towards areas that support long-term growth and social well-being;
- cooperation between Member States must be ensured from the outset (and also through a permanent EU solidarity mechanism);
- we must continue to support sustainable and innovative solutions. We need to use the same performance-based logic as the RRP, and make funding conditional on the implementation of recommendations;
- CSRs must be better calibrated to take account of the realities of different countries.

To implement the plans, it has been argued that:

- the citizens and organised civil society should be sufficiently informed of the objectives of the measures included;



- implementation rules should be simplified and made more flexible;
- urgent technical training is needed for public administration staff responsible for implementing RRP;;
- business associations could contribute to the implementation of the funds by helping companies to manage the administrative complexities while at the same time being familiar with the local economic sector;
- pragmatism and realism should rule;
- technical training must be provided to SMEs for the implementation of green and digital transition investments;
- there is a need to build the capacity of public administrations, particularly in the most disadvantaged territories;
- flexibility, effective consultation and adaptability to changing conditions to optimise the implementation of plans is crucial.

To monitor the plans, it has been argued that:

- stricter application rules need to be established;
- better auditing and reporting systems are crucial;
- random, selective and representative ex ante control systems must be established;
- the economic and social impact of projects must be assessed;
- the participation of the social partners and civil society organisations must be increased;
- effective measures and indicators must be developed to monitor progress towards the objectives;
- a permanent and continuously updated open data system must be put in place to analyse projects, the timetable for their implementation and their geolocation;
- the involvement of stakeholders should also be guaranteed in the monitoring of plans, and more rigorous rules should be implemented and monitored.

#### **Question 12:**

**Implementation of the reforms set out in the RRP is lagging significantly behind, particularly in comparison with investment. How can we achieve a better balance between investment and the emphasis on reforms?**

**(Please choose which of the 4 items that apply(ies) and explain your choice).**

Organised civil society ranked the following actions, in order of priority support, as the main ones needed to increase their role in the implementation and monitoring of the RRP:

- I. Some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation in the preparation of the plan.
- II. The measures planned in our Recovery and Resilience Plan to undertake reforms are well implemented, in the same way as the measures providing for investment.
- III. We believe that the implementation of the reforms has been delayed and has become more complex because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.
- IV. There have been difficulties with the implementation of the reforms.

In the majority of Member States, organised civil society stressed that some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation. The implementation of the reforms has encountered difficulties, has been delayed and has become more complex because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.

Organised civil society, for example in Austria and Bulgaria, suggests the following actions to achieve a better balance between investment and a focus on reform:

- the EU Fiscal Board must be strengthened;
- independent national tax institutions or authorities should be strengthened;
- there should be a better balance between investment and reform through greater stakeholder involvement, adaptation to the current economic and social context and clear communication of

- the objectives and benefits of reform;
- the strengthening of inter-institutional dialogue at European level to be adopted as an objective for the coming years (in particular, national and European authorities should be obliged to respond to proposals from consultative bodies).

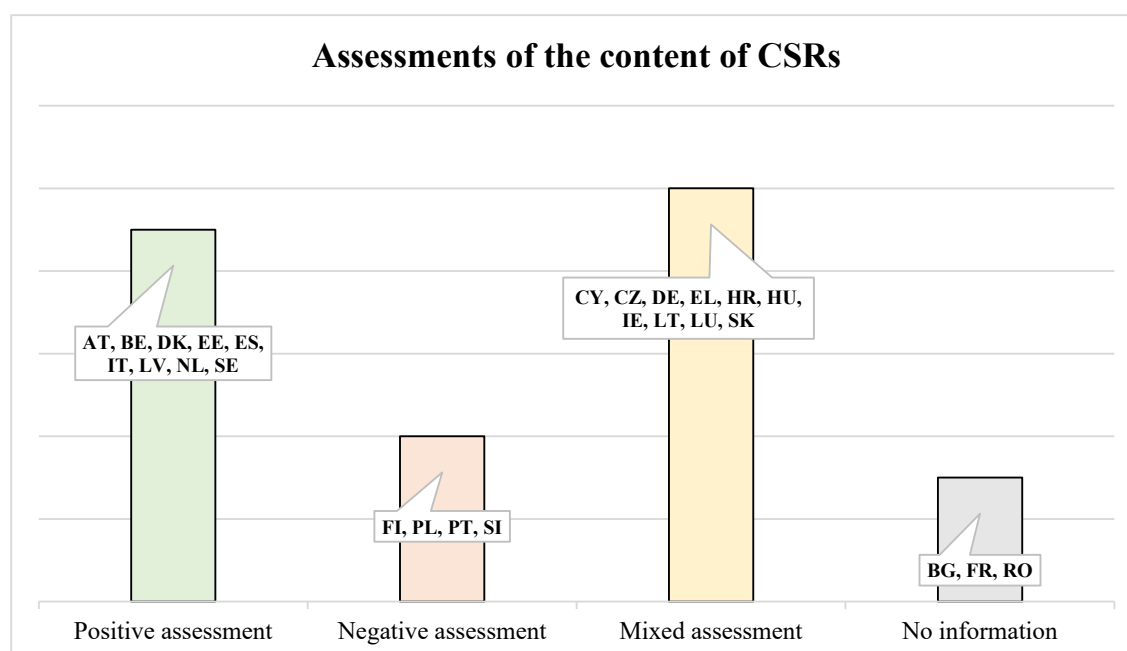
#### 4. DETAILED RESULTS OF THE RESPONSES TO THE QUESTIONNAIRE AND THE REPORTS OF THE ROUND TABLES<sup>13</sup>

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

On 24 May 2023, the Commission published the country-specific recommendations to provide guidance to Member States on how to tackle key economic and social challenges that are only partially or not addressed at all in their recovery and resilience plans. This includes tailored advice to individual Member States on how to boost jobs, growth and investment, while maintaining sound public finances. The recommendations adopt priorities identified in the autumn in the Annual Sustainable Growth Strategy<sup>14</sup> and in the recommendation for the economic policy of the euro area.

##### **Question 1:**

**What is your opinion on the priorities identified by the Commission in the country-specific recommendations for your country in 2023? Are they sufficiently in line with your organisation's interests and do they address the challenges facing your country?**



The classification of these replies is the sole responsibility of the authors.

<b>Assessments of the content of CSRs<sup>15</sup></b>
<b>Specific positive assessments - position on content</b>
<ul style="list-style-type: none"> <li>In general, organised civil society (OCS) recognises the relevance of the priorities identified by the Commission. GI (Group I – Employers) emphasises that prudent fiscal policy and sustainable financing in healthcare is essential. The recommendation to expand high-quality childcare is particularly welcomed. However, GII (Group II – Workers) is critical of the reference to labour costs, for which there is no room for further reduction, as these finance the social safety net as social security contributions. GI rejects greater autonomy for states and municipalities in financial equalisation due to the risk of tax competition within Austria. The</li> </ul>

<sup>13</sup> All the round table reports are published here: [Ad hoc group on the European Semester](#)

<sup>14</sup> [2023 European Semester: Annual sustainable growth survey, European Commission](#)

<sup>15</sup> The recommendations and comments made by the national delegations concerning the implementation of Recovery and Resilience Plans, which is the subject of one of the European Commission's specific recommendations, are more fully integrated into section 3 on RRP.

CSRs lack reference to the need for action to reduce poverty. **(AT)**

- OCS agrees with the CSRs, which give a good overview of the key elements. However, the competitiveness aspect is missing from the recommendations. Automatic indexation of wages and benefits is an issue on which there are conflicting views among social partners. OCS agrees with the recommendations regarding the fiscal aspects of public finances. There is agreement with the recommendation on the need to tackle disincentives to work, and OCS believes improving the performance and equity of education and training is crucial. OCS supports the recommendation to implement the RRP. This includes pension reform in particular. Adjustments and structural reforms are therefore called for. Early retirement is an option that should be avoided so that people are socially active for longer and contribute longer to the solidarity-based social security system. Reforms should avoid increasing the number of poor elderly people. The impact of non-worked but assimilated periods is particularly significant and deserves concerted action in view of both the guarantee of funding and the fact that women in particular lag behind in terms of pension rights. OCS supports recommendation No. 3 to address labour shortages and skills mismatches, in particular by strengthening employment policies to integrate disadvantaged groups into the labour market. OCS believes that improving the performance and equity of education and training systems is crucial in this respect. The "unemployment trap" is considerable for low-wage earners in Belgium. It is therefore essential to make work pay compared to non-work. Where appropriate and possible, an activation logic should be developed in some benefits and assistance. In support through benefits, assistance or housing, there are minimal obligations, the follow-up and guidance in doing so deserves additional efforts. The activation policies should be strengthened. **(BE)**
- OCS recognises the relevance of the CSRs, and their strong focus on the green and digital transitions. CSRs address the right questions, even if they are not perfect. GII would like to see recommendations on the labour market and social affairs in the near future. The shortage of labour and skills is one of the main challenges facing Denmark. This is true for both the public and private sectors, and is hampering Denmark's ability to ensure a successful twin-track transition. **(DK)**
- According to OCS, the priorities are well defined and formulated. The priorities are in line with the interests of businesses, trade unions and civil society. **(EE)**
- OCS perceives the CSRs generally positive. Moreover, OCS states that in order to implement the RRP, it is necessary to insist on the necessary coordination of economic policies and the correction of macroeconomic imbalances. In addition, OCS stressed that measures to combat inflation should henceforth focus on supporting the most vulnerable population groups. **(ES)**
- Overall, OCS supports the priorities identified by the European Commission in the CSRs. However, OCS points out that, though the reorganisation of tax breaks is necessary, this will lead to an increased tax burden. Clear choices must be made regarding taxation, not least to encourage the recovery of the purchasing power of salaries and pensions. As regards cohesion policy, OCS states that it should be reformed and strengthened not only from an economic point of view, but also from the point of view of "Governance" and administrative simplification, by helping and supporting the administrative capacities of local and regional authorities. GII emphasises that the recommendation on the green transition will bring major advantages for employment, for the competitiveness of companies and for the well-being of citizens, but workers must be "active and central actors" of this change. It is also necessary to reduce the weight given to ill-suited components, of a fiscal and parafiscal nature, which still weigh on the bill today. Specific reference is made to the general system of costs for which the already foreseen compensatory reduction should be made stable and structural. It is also necessary to enhance the production of domestic natural gas, encouraging its extraction first and foremost using existing deposits. **(IT)**
- CSRs are broadly in line with the views of OCS. However, as regards the recommendation to continue to pursue a medium-term fiscal strategy, there is a need for more support, flexibility and time to implement resource-intensive reforms. An additional tax increase in Latvia does not appear to be realistic at present and improving the health system and social protection would require an increase in the total amount of cohesion funds due to factors such as inflation. The overall reliance on fossil fuels should be uniformly reduced by stepping up the deployment of renewable energy sources and strengthening energy efficiency measures. Increasing interconnection capacity and synchronisation with the EU electricity grid is crucial. The

European Commission should give more attention and support to the acquisition of skills for the green transition. **(LV)**

- OCS agrees with the CSRs, despite the fact that some of these recommendations are not in line with Dutch government policy, for instance where the housing market is concerned (notably the rental sector). **(NL)**
- OCS generally welcomes and supports the CSRs. In particular, GI and GII support the CSRs on the energy supply and skills supply. GIII (Group III – civil society) supports the focus on investments to promote the green transition, the call to reduce dependence on fossil fuels, to reduce the risks of high household indebtedness and to improve the housing market with constructive reform proposals. Similarly, the recommendation to improve educational outcomes for students from disadvantaged groups or with a migrant background is constructive, as is developing the pool of skilled labour needed for the green transition. **(SE)**

#### **Mixed views - position on content**

- OCS in Cyprus has mixed views on the priorities identified in the CSRs. Energy is the most important concern for the whole of Cypriot society, as the cost is unsustainable. Green growth cannot be applied everywhere in the same way. Cyprus has specific weather conditions that must be taken into account. The energy support measures should stay in place because they are a significant relief for businesses, especially family businesses. The green transition should be balanced and measured because what matters most is food security. In addition, more social measures have to be adopted: female employment remains very low compared to the European average. More incentives should be given. Continuous education of citizens and workers is needed to address the challenges. There should be support for mountain areas and for the elderly. There must be greater understanding and support for vulnerable groups. The social dimension is needed for the path to green growth, not only the economic dimension. The social dimension is as important as the economic dimension. **(CY)**
- GI considers the CSRs as objective, realistic and authentic. However, the 2023 CSRs better reflect existing problem areas and do not mention some others that appeared in past evaluations (sustainability of the pension system, excessive administrative burden, reserves in the education system, overly strong wage growth compared to productivity, etc.). GII agrees with the specific recommendations to boost the provision of social and affordable housing. GII maintains that the sustainability of public budgets and the pension system also need to be considered at all times in terms of what impact they will have on the living standards of the population. Unfortunately, the government has opted to take a path that negatively affects low and medium income groups. Similarly, while recommendations on the green economy can be seen as positive, negative effects can be expected for a number of population groups, mostly more vulnerable ones. It will always depend on what action will be taken to respond to these recommendations. GIII agrees with the Commission's recommendations, in particular on social and affordable housing and sustainability of the pension system. Regarding energy issues they stress that the social dimension of all measures must also be taken into account. They also welcome the recommendations to strengthen administrative capacities. They see the lack of national co-financing sources as a risk. What the recommendation does not cover is the territorial and thematic unevenness in the implementation of the National Development Plan. In the housing sector, support for market-based housing construction is completely out of balance with support for the construction of social and affordable housing. Social and educational policies are highly illogical and retroactive, with late responses to population waves that have already happened in nursery, primary and secondary schools instead of preparing for the baby boomer generation reaching retirement age. **(CZ)**
- GI perceives the CSRs as quite appropriate. GII believes that the recommendation to boost investment in the green transition is positive. The recommendation to wind down emergency energy support measures is seen, as negative. A prolongation of the energy support measures and the introduction of special energy support measures for certain industrial sectors is requested. We have also rejected the rather restrictive fiscal policy recommendations. In addition, recommendations to strengthen collective bargaining were not included in 2023. According to GIII, the parameters used in the CSRs are not a faithful reflection of real-life issues, and they therefore ignore political, social and ecological goals that should have been pursued. **(DE)**
- GIII states that the priorities identified in the CSRs reflect the needs of the Greek economy and society today, they have a specific outlook on the future, but limited inclusivity. According to

GIII, promoting the green and digital transition is part of the proposals that will have the strongest growth impact for the future, while resilience must be strengthened. In addition, GIII underlines that there is no recommendation for enhancing the skills of persons with disabilities, with a view to helping them get into work; strengthening deinstitutionalisation as part of a comprehensive strategy for independent living and inclusion of persons with disabilities in the community; and strengthening the national health system, with more staff. **(EL)**

- GI agrees with the recommendations on fiscal policy. GI partially agrees with the green transition recommendations. GI supports the recommendations to upgrade electricity transmission and distribution grids, step up smart meter roll-out, accelerate energy efficiency measures and simplify and complete the administrative procedures for permitting. However, GI believes that we do have to be realistic as to how quickly we can reduce reliance on fossil fuels. A balance between the differing speeds of the impact of the green transition on the viability of industrial production going forward needs to be taken into account. GII believe that more focus is put on economic reforms, and not on social needs and do not believe that the needs of Croatian citizens are taken into account, such as emigration, rising costs of living, quality of life, etc. **(HR)**
- In general, OCS perceives the priorities set out in CSRs as correct, but also as too general and comprehensive, making them difficult to implement in practical terms. In addition, the recommendations do not take into account the country's specific circumstances and its own development plans such as: energy price subsidies and housing subsidies, approaches to developing green and blue infrastructure, and the elimination or transformation having an extremely negative impact on the living situation of certain priority social groups. In particular, GIII draws attention to the insensitivity to territorial inequalities. **(HU)**
- In general, organised civil society perceives the CSRs as relevant and appropriate, while not sufficiently addressing social issues, such as housing. However, the implementation of them at national level is viewed more critically. According to GI, the CRSs that best align with their priorities are: promoting safer and cleaner waste water circuits; stepping up extensive building retrofits; developing skills – including digital skills – in the workplace; focussing on housing; providing support to companies, in particular SMEs; front-loading mature public investment projects and promoting private investment in the business sector to foster economic recovery; promoting investment in the green and digital transition; broadening the tax base to mitigate any negative effects; promoting workforce integration; and promoting sustainable transport. Regarding the recommendation to wind down emergency support measures, GII has been critical of the government's decision to introduce mostly one-off measures and had instead been recommending permanent increases in core social protection rates above the rate of inflation as well as the benchmarking of social protection rates to an appropriate adequacy indicator, such as median earnings. GII would make the point that neither the CSRs nor the Commission's 2023 country report addressed the extremely low social insurance contributions paid by employers and the self-employed compared to most other EU Member States. GII would make the point that the CSRs should have also addressed issues around working conditions in this sector. Regarding the recommendation to wind down the energy support measures, GIII is requesting to preserve these measures in a targeted way for the most vulnerable households, who continue to experience the negative compound impact of inflation. Rather than once-off measures, more sustained investment in public services is required. Regarding the recommendation to "Ensure the fiscal sustainability of the state pension system by specifying its financing arrangements", this recommendation is not simply accepted. The recommendation should have specified that the state pension must be sustainable without diluting its spending power. Regarding the recommendation on the twin transition, GIII believes strong safeguards are needed for households and communities that are most vulnerable to the negative effects of these changes. Achieving green transition objectives in rural areas and regions requires a more flexible investment strategy. Finally, according to GIII, the huge national debt, a legacy from the financial crash, is not adequately taken into account. In conclusion, GIII believes that for the past three years there has been an inadequate focus on social priorities such as housing, healthcare, inclusive labour markets and adequate income. **(IE)**
- In general, GI considers that the CSRs are accurate, very precise and reflect its interests. They contain proposals for a large number of reforms, which are very relevant and GI's representatives are actively involved, particularly in the health and social fields. GI notes, however, with regard to the recommendation on skills and their development taking into

account the real needs of the labour market, that investment in skills development must be targeted. In addition, investment in housing renovation and social housing is too low. GI also supports the recommendations on strengthening the public sector, but underlines an issue of optimisation, where the number of people is reduced and the workload is increased. The increase in wages in the public sector is lower than inflation. Finally, large investments in cleaner public transport are required. According to GIII, the 2023 CSRs in the social area are weaker compared to the last few recommendations. Nevertheless, GIII is pleased that there are increasingly more recommendations for social services, and health care recommendations are evaluated positively. However, the situation has not changed when assessing indicators of the risk of poverty or funding for social protection. There is a need for a monitoring tool for social services. Large investments in social housing are required, greater availability of compensation for housing, and housing policy in general. In addition, tax reform recommendations were expected, but none were forthcoming. Social partners also stress the need for the CSRs to better reflect the actual situation of the country. Timely and relevant data are missing. Finally, social partners underline that when making recommendations, the EC should look closer at and take into account the situation and context of specific Member States (e.g. Lithuania is one of the least indebted Member States). **(LT)**

- OCS agrees with 3 of the 4 CSRs, relating to the RRP and REPowerEU, improving the functioning of the school system and investing in energy efficiency and renewable energies. However, the social partners have differing views on the first recommendation relating to fiscal policy. GI and GII are concerned about the housing market and the very difficult situation in the construction sector. GI is concerned about the development of public finances, and in particular the current enormous deficit of the central government and the inevitable reduction in social security surpluses. It is also concerned about the sustainability of the general pension insurance scheme, housing, of which there is an insufficient supply, and the stagnation of productivity. It points to the risks of a further deterioration in the current economic climate. GII believes that an overly cautious, or even restrictive, fiscal policy could have an anti-cyclical effect on economic trends, especially in a context of slowing economic activity and the danger of recession. GII does not agree with the European Commission's CSR on the general pension insurance scheme and sees maintaining the general scheme as an essential pillar of the welfare state. They are opposed to any downgrading of the general scheme, and therefore of social security, in favour of the development of private supplementary pensions. GII also regrets that the worrying trend in inequality and poverty in Luxembourg has not been the subject of a CSR. **(LU)**
- OCS highlights a lack of awareness around CSRs, even though these recommendations are crucial to the functioning of the economy. And thanks to these recommendations, initiatives were being launched in Slovakia that might not be supported internally. However, there are several concerns. There is a need to address the problem of a shortage of manual workers. In the area of lifelong learning, the country is lagging behind despite many opportunities to move forward. As regards the recommendation on integrating marginalised groups, the CSRs mention the need to roll out, across the board, the projects that had proven to be successful in addressing this issue and not to implement them on a small scale. **(SK)**

#### **Specific negative assessments - position on content**

- In Finland, OCS has been rather critical of the CSRs and has put forward various concerns. More attention should be paid to fiscal multiplier aspects: expenditure on boosting economic output might not be optimal. CSRs should take this aspect into account as well. The demand for labour is not sufficient, which could be solved by using fiscal multipliers. Future country-specific recommendations should include policy proposals regarding taxation as well. In the context of the CSR on pursuing the reform of the social security system, as regards the investments that were made in the framework of the social policy reform (SOTE), the real impact of such investment on the health system should be analysed. More specifically, expenditure on social and health services have the power to decrease future expenditure on these services, which is why this kind of expenditure is not merely a cost. The response to alleviate the impact of inflation has not adequately addressed the most acute issues for the most vulnerable people in society, who need to be supported. In addition, birth rates have been falling for years, and preventive measures in this area are needed as this will have a very long-term impact on the make-up of Finnish society and its economy. Finally, there is a need for measures which would better take into account the fact that distance learning is creating digital fractures.

Poor people are being discriminated against, since they have limited – or very limited – resources and cannot always participate due to a lack of access and/or a lack of proper equipment. Distance and digital education also had a negative side for the education of the older generation. **(FI)**

- One significant challenge for the Polish economy is the low level of investment. The investment rate in Poland remains one of the lowest in the EU. It stood at 18% of GDP in 2022. This is alarmingly low given the demographic challenges and the challenges of the energy transition. Structural funds and the RRP are insufficient to achieve a high level of investment. A solid injection of private investment is also needed, and the priority in the recommendations is succinct and focuses quite rightly but too narrowly on the judiciary. In environment- and climate-related priorities, the recommendations focus mainly on energy. There are no discussions on mitigating the problems of the biodiversity and climate crises. Energy modernisation will not only reduce energy poverty, but should also help create good jobs and make the economy more competitive. However, the systemic actions undertaken seem to be too slow, there is no open dialogue with the public on changes and reforms and innovation is not being transferred to Poland to deploy new technologies for the green transition. The digital transition has so far not been properly developed in terms of socio-economic impact, with regard to both reforms and recommendations. There are labour shortages both in the jobs of the future (related to digitalisation) and in the social assistance field. There are no recommendations for Poland or major reforms financed. **(PL)**
- In Portugal, OCS has been rather critical of the CSRs and has put forward various concerns. To tackle the issue of private investment, it is necessary to simplify SMEs' access to capital markets and encourage the reinvestment of profits in their activities. As for the consolidation and sustainability of social protection systems, this involves tackling the issue of their funding, and in particular the funding of the contributory pillar. The system was designed according to the number of workers and their wages, but the intensification of capital calls into question the traditional approach, which punishes the most labour-intensive companies and sectors. With regard to energy policies, the measures were well targeted but short-lived, reducing their effectiveness. With regard to improving the tax and social protection system, there has been very little concrete development in terms of measures. There is a need to foster skills in the labour market – but there is no CSR to address this problem. Meeting the needs of the labour market deserves more attention, and it is not just about the green transition. OCS is also requesting a CSR that addresses the needs of our economy across the board, and not just in terms of training, but also in terms of retaining skilled labour. Without economic growth, the recommendations are irrelevant. The geopolitical instability in which we live must be taken into account when reflecting on European action as a whole, and in the recommendations for each country. Issues such as re-industrialisation and technological innovation are elements not to be overlooked and here, private investment must play a decisive role, even if the important role of public investment is recognised. **(PT)**
- OCS raises several concerns about the priorities for the reforms and the investment proposals. There is a need for a simple tax system. Tax reform targeted the system, so reforms must be carried out infrequently so that the environment remains predictable. In an international context, the Slovenian economy should strive to prevent the outflow of human resources and attract workers from abroad. The GII criticises the recommendation on fiscal policy which focuses on fiscal sustainability, while ignoring the social aspect of fiscal systems and the impact of their quality, accessibility and scope of rights on people's well-being. In this context, the GII proposes that consideration be given to diversifying the sources of funding for social security and shifting from labour taxation to a larger share of property taxes as part of a pro-growth green tax reform. According to GII, the priorities identified in the CSRs were ambitious, but the major repercussions of the past crises have to be taken into account. Fiscal policy needs to be politically prudent, but it also needs to allow for the implementation and development of activities. The green transition must take into account the economic component and the burdens shared by all stakeholders. Competitiveness needs to be promoted in the food supply chain, where farmers were the weakest link and had no bargaining power, and the current anomalies in the system need to be eliminated. The unequal treatment of rural and urban areas also stemmed from housing policies for young people, which disadvantaged those from rural areas. It is also essential to promote young people's participation in various forms of non-formal education, especially those linked to specific skills in the fields in which they worked. **(SI)**

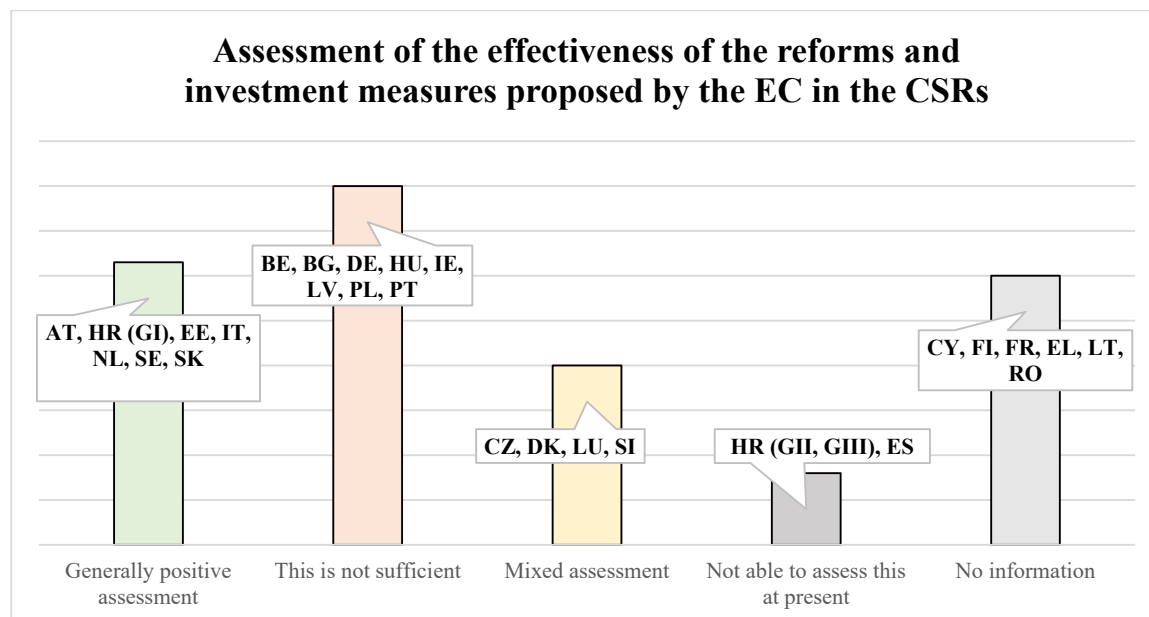


**No information available for this question**

BG, FR and RO.

## Question 2:

How would you assess the effectiveness of the reform and investment measures proposed by the Commission in these recommendations?



The classification of these replies is the sole responsibility of the authors.

<b>Assessment of the effectiveness of the reforms and investment measures proposed by the EC in the CSRs<sup>16</sup></b>
<b>A generally positive assessment</b>
<ul style="list-style-type: none"><li>• OCS views the effectiveness of the proposed measures positively but emphasise the importance of continuous dialogue between the Commission, the government, and social partners to accelerate the implementation of reforms. The liberal professions share the concerns about the effectiveness of support measures for energy costs. A specific example is the indiscriminate provision of energy cost subsidies to all commercial enterprises, while freelancers, who often run small or micro-enterprises, are excluded regardless of their actual needs. The employee side also points out that much more funding is needed for the expansion of sustainable public transport infrastructure. <b>(AT)</b></li><li>• GI welcomes, in particular, the effectiveness of the recommendations on the REPowerEU chapter and legislative and administrative procedure aspects of domestic legislation. <b>(HR – GI)</b></li><li>• OCS thinks that the CSRs are sufficiently effective. <b>(EE)</b></li><li>• Overall, OCS evaluates the effectiveness of the CSRs positively. However, OCS highlights the need to provide a tax system that places a smaller burden on work and pensions (cooperatives are a "labour-intensive" system); that is characterised by greater progressiveness and simplification of the system; that enhances entrepreneurial bio-diversity, protecting specific cooperative institutions (reserve profit, rebate, etc.), which concern both large companies and cooperative enterprises dedicated to social and general activities; and that incentivises investments and capitalization in companies. Furthermore, it is considered appropriate to keep in place the current measures to support energy expenditure for vulnerable businesses and families given the erosion of incomes caused by the strong growth in price levels. In addition, OCS highlights the need to promote environmental and energy policies that are not harmful to the entrepreneurial system and that promote new bottom-up community entrepreneurship, in a cooperative and non-profit way (renewable energy communities). <b>(IT)</b></li><li>• OCS believes that the effectiveness of the CSRs is positive overall, as the Commission is committed to reforming the housing and labour markets, among others things, which is good for</li></ul>

<sup>16</sup> The recommendations and comments made by the national delegations concerning the implementation of Recovery and Resilience Plans, which is the subject of one of the European Commission's specific recommendations, are more fully integrated into section 3 on RRP.

the resilience of the economy. (NL)

- OCS underlines that the proposed reforms and investments are relevant. However, it is not possible at this stage to assess whether the process will lead to success. The most important measures regarding energy supply are contributing to the green and digital transitions and thereby strengthening competitiveness by shortening authorisation processes and ensuring access to fossil-free electricity. With regard to the education system, there is a call to improve the quality and results of primary schools, with a focus on clearer curricula and an approach to knowledge and reading and maths/STEM, especially in the early school years. There is also a need for improved frameworks for monitoring, evaluation, grades, school choice and admission, as well as more and better qualified teachers. According to GI and GII, when it comes to household debt, many stakeholders have long argued that interest deductions should be gradually removed. This would have been much easier to do when interest rates were lower. To avoid asymmetry in taxation, the capital income tax rate needs to be lowered so that positive and negative interest income/costs are treated equally for all. The introduction of a property tax is not politically relevant and such a measure needs to be carefully analysed to avoid financial risks for individuals and the banking sector. GIII states that CSRs are highly effective given that they address key societal problems: the excessively slow pace of the climate transition, inequality in the education system, the housing shortage and its structural problems, and not least the need for societal investments as part of a balanced fiscal policy. (SE)
- OCS is quite satisfied with the effectiveness of the CSRs. The CSRs within the framework of the European Semester are essential for the proper functioning of the economy. Thanks to the CSRs, positive reforms have been introduced in Slovakia despite the lack of internal support. (SK)

#### Mixed assessment

- According to GI, the proposed measures should be implemented much more effectively in the long term. This suggests that the warning and sanctioning component of the European Semester process should be significantly strengthened and enforced in practice. According to GII, effectiveness is affected by a number of factors. Unfortunately, some of the measures actually have negative effects – e.g. some types of subsidy titles only lead to price increases and the economic benefits go to a limited group of operators. These negative impacts need to be eliminated to make these measures more effective and useful. According to GIII, the effectiveness of the measures depends on practical implementation, which often suffers from being slow or a reluctance to make legislative changes relating to the green transition (e.g. community energy, permit-granting processes in construction) and administrative inflexibility. (CZ)
- Views are divided in Denmark: on the one hand, the GI believes that the CSRs are a valuable and an effective instrument. On the other hand, GII and GIII state that there are no new initiatives, and therefore the effectiveness of the Commission's proposals is relatively low, as the proposals are already made in a national context. (DK)
- OCS expressed mixed views about the effectiveness of the CSRs. The process of implementing reforms is fairly slow. It welcome the efforts to invest in the green and digital transitions. With regard to reforms to ensure the sustainability of the pension system, GI regrets that no reform has been implemented for over ten years, while the official projections of the Social Security General Inspectorate and the Commission clearly show the unsustainability of the current general pension system. GII does not see the urgent need for reform, given that the pension fund reserves are equivalent to 30% of GDP, while the 2012 reform has already led to significant deterioration that should be reversed while increasing the minimum pension. (LU)
- OCS has rather mixed views about the effectiveness of the CSRs. The priorities identified by the Commission in its CSRs are ambitious, but it must realise that past crises have had major repercussions. (SI)

#### This is not sufficient

- Overall, OCS states that the government is not going far enough with its reforms and measures. For example, the tax burden on labour remains very high in Belgium and is still among the highest in Europe. There are still too many disincentives to work in our country (unemployment and inactivity traps are sometimes considerable). There is a need to make work pay in relation to non-work situations. Where appropriate and possible, an approach based on getting people into the labour market should be developed when it comes to some benefits and assistance. With support through benefits, assistance or housing, there are minimal obligations, the follow-up and

associated guidance require additional efforts. Statutory pensions in Belgium are based on a model that essentially dates back to the time when there could still be a normal age pyramid and does not fit the current and future demographic ratio between the active and inactive population. Adjustments and structural reforms are therefore called for. This demographic trend is related, among other things, to the ageing of the population owing to better healthcare and higher life expectancy, which also has implications on healthcare spending. **(BE)**

- OCS raises a number of concerns and notes the uncertain implementation of cohesion policy plans. No priority is given to structural reforms that will help finance public policy priorities and contribute to the long-term sustainability of public finances, in particular the sustainability of health and social protection systems for all. **(BG)**
- According to the GII and GIII, the Commission's proposals for reform and investment are not inappropriate per se, but they are either ignored or formulated in a way that makes them impossible to put into practice, since they do not respect existing conditions and constraints. **(DE)**
- OCS acknowledges that the proposed reforms could be effective if implemented, but the government is often selective when it comes to recommendations, and their implementation is slower. The recommendations are often repeated from one Semester to the next, revealing that the process is slow and implementation uneven. As a result, economic and social disparities between European Member States are not decreasing, and in some cases are even increasing, so the effectiveness of the recommendations is reduced or weakened. **(HU)**
- According to OCS, if the CSRs were all acted upon, they would be immensely effective in bolstering economic and social resilience. There are several problems with implementation in these areas, for example: targeting support payments of the most vulnerable; preserving a prudent medium-term fiscal position; further developing waste treatment and energy infrastructure; accelerating investments in water infrastructure; reducing overall reliance on fossil fuels; improving flexibility in the electricity system. The multiple mentions of "accelerating delivery" (or similar) in the CSRs reveal the feasibility and implementation challenges, as opposed to the absence of evidence to inform policy action. In particular, according to GII, emergency energy support measures could have been more effective if they had also addressed the adequacy of the measures in place before the emergency measures were introduced, as the recommendation rests on the assumption that "pre-emergency" measures were adequate. The recommendation to ensure the fiscal sustainability of the state pension system by specifying its financing arrangements could have been more effective if it had specifically addressed the need to bring social insurance contributions by employers and the self-employed closer to EU Member States' averages. According to GIII, the reform and investment measures proposed by the Commission fail to address the fact that there are millions of Europeans living in poverty because of the way the economy is currently structured. They also fail to identify that the cost of the green transition will be disproportionately carried by the poorest households and communities unless there is extensive investment to counteract this negative effect. **(IE)**
- According to OCS, recommendations could be more effective if they were linked to broader EU financial support (e.g. EU own resources, or similar) and better coordinated. Latvia has traditionally paid great attention to the implementation of recommendations and compliance with common regulations. Other EU Member States must also take similar responsible action. Situations in which some Member States deviate significantly from joint decisions and/or recommendations undermine the EU's common market as well as smooth, uniform and sustainable development. **(LV)**
- OCS states that, as far as energy policies are concerned, the measures were well targeted but short-lived, which reduced their effectiveness. Furthermore, the lack of timely consultation of OCS makes it impossible to create consensus and negotiated measures that generate greater public support. The national and European authorities are thus depriving themselves not only of the opportunity to create better measures, but also more effective measures insofar as they would be more widely accepted and understood. **(PT)**
- OCS is not entirely satisfied with the effectiveness of the CSRs. In some cases, the CSRs have been the same for many years. Some recommendations are complex and involve many minor recommendations. There are no tools to assess the state of implementation of recommendations, as assessing the content of recommendations and the process of implementing them are two different things. Participants stressed that there should be separate consultations on implementation. For example, a solid injection of private investment is also needed. This priority

in the recommendations is succinct and focuses quite rightly but too narrowly on the judiciary. Legal predictability is important for deciding to start an investment, as well as for preparing the whole process effectively. **(PL)**

**Not able to assess this at present**

- OCS states that the effectiveness of the CSRs obviously depends on the extent to which and how they are implemented. There is a disparity of situations in the different sectors of production and economic activity and a different degree of impact of the proposed measures, and we consider it necessary to reach all productive sectors. If we focus on the objectives of the green transition of the economy and society and on its Just Transition Strategy, it should be highlighted that agreements aimed at the closure of mining and thermal power plants are being drawn up, but that the just transition measures in sectors such as water management, tourism, construction, industry, transport, waste management, agriculture, livestock, fisheries, forestry and the financial sector still need to be deployed, reinforced and applied. The importance of making full use of support and loans under the Spanish RRP should be borne in mind when entering a period in which the public debt-to-GDP ratio is to be progressively reduced. **(ES)**
- GII and GIII do not have necessary information to assess it. **(HR – GII and GIII)**

**No information available for this question**

CY, FI, FR, EL, LT and RO.

**Question 3:**

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

**Positive points of OCS involvement in the dialogue with governments and the European Commission on the CSRs**

- Formal involvement takes place at various levels with varying quality. Organised civil society is involved through regular exchanges and consultations. The collaboration with the European Commission and involvement in the creation of the National Reform Program are highlighted as being positive. **(AT)**
- There is formal involvement in a structured dialogue with the government, where civil society can express its views. **(FR and CZ-GII)**
- According to GI, active communication takes place on an informal basis as well as through a number of platforms of councils that operate relatively effectively at government level and provide reciprocal links with the government. According to GIII, they are offered the opportunity to comment in writing on the National Reform Programme, followed by a report on the implementation of the NRP, for which they participated in a round table. **(CZ - GI and GIII)**
- GI assesses it positively. GII and GIII underline that a series of meetings is held each year under the auspices of the Contact Committee for European Growth and Jobs, to which stakeholder organisations are invited to comment on the programme. Meetings are held at political level focusing on the broader lines and meetings at technical level are also convened, where concrete input is usually possible. **(DK)**
- According to GI, their engagement is largely facilitated via stakeholder meetings alongside other representative organisations who feed into department positions on certain EU legislation. On the positive side, such fora can be constructive. However, targeted feedback on particular EU legislation affecting our membership can be difficult to obtain. According to GII, the main positive point about the February 2023 meeting is that it actually took place, unlike in 2021 and 2022, and that it enabled invited civil society organisations to engage with government on developing the 2023 NRP. The main negative point is that, as far as we are aware, there was no subsequent follow-up by government. They are aware, as a social partner organisation, of regular direct engagement between civil society organisations and the European Commission on European Semester matters. These exchanges do enable a dialogue between civil society and the Commission on European Semester matters. **(IE - GI and GII)**
- Substantial improvement with formalised, structured opportunities for dialogue. **(IT - GI)**
- In general, OCS is involved when EC recommendations are drawn up. Consultations are held primarily with state institutions, but rather episodically. **(LT)**
- Following representations from the social partners, the government has introduced a structured

procedure for social dialogue on the European Semester. This procedure has applied since 2023. **(LU)**

- Generally, the consultation is intensive and it includes not only social partners but the whole of civil society, notably when it concerns complex issues for which politics alone cannot provide a solution. **(NL)**
- According to GI and GII, social partners are invited to the government offices for regular consultations. The consultations are structured and allow information to be shared and views to be exchanged effectively. **(SE)**

#### **Negative points of OCS involvement in the dialogue with the governments and the European Commission on the CSRs**

- There is room for improvement in deepening consultation. The dialogue with the federal government and social partners is formally secured by their legal involvement in the consultation processes for legislation, but it varies in quality. **(AT)**
- Dialogue with the government is only last-minute and "pro-forma". **(BE, EE, HR)**
- Involvement is weak and ineffective. **(BG)**
- According to GI, as there is no national economic and social council or competitiveness council in the Czechia, other methods for dialogue are unofficial, irregular and arbitrary. According to GII, recently it seems that, especially at the highest political level, their views have not been taken seriously and some measures go directly against the interests of trade unions and those they represent. According to GIII, NGOs are by and large unwelcome partners who have been imposed to discuss certain documents. Their involvement is often a formality, and the lack of staff and time in NGOs is also a factor that limits greater involvement, leading to less capacity for more in-depth dialogue. **(CZ)**
- According to GI, annual social partner consultations on the CSRs take place. The effectiveness of these dialogues is limited. GII laments that the consultation is not effective. It is not clear whether our input in the various consultations has any impact at all. According to GIII, they are only involved via a deficient, formal and ineffective participation, and only at the central level. There is also a lack of involvement of regional and local government authorities. **(DE)**
- There is neither a formal or informal mechanism or a structured framework for institutional dialogue involving OCS and social partners in the framework of the European Semester. **(EL)**
- Involvement is generally not formal, structured or permanent. **(ES)**
- The general involvement (debates, events) of organised civil society in the European Semester process had been reduced over the past few years. Therefore, OCS has to evaluate its resources when engaging in the Semester process and focus on the questions where change could have the greatest, most helpful impact. The process was still only known in certain circles and the lack of interest was due to the cumbersome nature of the whole process. **(FI)**
- Not enough time to provide feedback on all government reform proposals. Deadline for replying is too short to engage in meaningful dialogue with the European Commission. No legal basis for organised civil society to plan a proper discussion and draw up a common opinion. The many layers of EU and national programmes and processes makes it difficult to know who your interlocuter is. There is an unbalanced degree of involvement in consultation among different organisations and social partners. **(FR)**
- No working group dedicated to the European Semester has been set up within the national economic and social council. **(FR, HR)**
- The dialogue with OCS has improved but not on an equal basis. On the one hand, there are organisations with national competence and a prominent role (e.g. big employer and worker organisations, those representing the interests of families or farmers) that have an important part to play in the dialogue and their views are considered in how the programmes are implemented. On the other hand, smaller CSOs do not have a forum for social consultation. In addition, even if there is a very short public consultation for each measure, where OCS can express their opinions, OCS may not receive sufficient feedback on whether their position has been considered by the government. **(HU)**
- There is no apparent follow-up of the discussions. Most CSOs are not involved in dialogue between the government and the European Commission. The Department of An Taoiseach seek submissions for Ireland's submission to the EU's National Reform Programme (NRP); the deadline is invariably tight; and in more recent years civil society organisations have not been presented with an opportunity to respond to Ireland's draft submission. It is not clear to what

extent the input from civil society is reflected in the final NRP. It would be difficult to describe this exercise as "dialogue" in any real meaning of that term. The government has moved to an approach that assumes that civil servants and politicians know all that needs in most policy areas and, consequently, are not prepared to engage in any real dialogue. As one consequence of this, the weakness of structures for dialogue have contributed to the state's difficulty in addressing the rise of far right activism in Ireland. **(IE – GIII)**

- Progressive decrease in degree of involvement. There are structured and formalised opportunities for dialogue, such as parliamentary hearings and ministerial technical tables. Further work meetings, seminars and discussions are also organised by CNEL, but limited to dialogue between social partners. **(IT)**
- According to GI, there is a lack of dialogue at the municipal level, e.g. regarding the renewal of public transport, ensuring mobility. A more active social dialogue is needed to ensure that decisions are made jointly. **(LT – GI)**
- As for the positions and contributions of the social partners, although the latter recognise the efforts made by the government (in particular during the last 2022 cycle, when the ministers of the economy and finance provided elements of a response to their common position for 2021), the social partners feel that their documents are not yet sufficiently debated. Furthermore, the consultation meetings are still more about sharing respective opinions than real exchanges. **(LU)**
- The discussions are often formal and the rest of civil society is generally not involved. It is sporadic and highly flawed. **(LV)**
- All the social partners said they had not been consulted in the framework of the European Semester, neither by the government nor by the European Commission. The information received by Portuguese civil society comes almost exclusively from the European umbrella organisations (European trade union or business confederations), which have been consulted. The social partners emphasised that the only participation mechanisms they had, depended on their own initiative, including informal meetings with the European Commission or communications to the Portuguese government. On the few occasions that civil society has been approached in any way, what has been asked for is a response to documents that have already been prepared, and with no willingness to discuss their content. But much more important are the extremely short deadlines, which show disrespect for the social partners' views. The failure to consult organised civil society in good time makes it impossible to create consensus and negotiated measures that generate greater public support. The national and European authorities therefore miss out, not only on the opportunity to create better measures, but also more effective ones insofar as they would be more widely accepted and understood. **(PT)**
- According to GI, there is a lack of integration between the Commission and the national level of governance. Many strategies have been written, ministers have changed, consultations have often been purely formal at economic and social council level. According to GIII, consultations are ineffective, inter-ministerial cooperation is lacking. **(RO)**
- According to GI and GII, the consultations are characterised by information-sharing rather than consultation on policy direction. Opportunities to influence the policy direction of the consultations are limited. A sovereign parliament decides on individual measures. According to GIII, CSOs are unable to participate properly in the dialogue between the government and the Commission. Contacts are sporadic. **(SE)**
- Social partners and organised civil society are not being involved in the European Semester process when the documents are adopted. In addition, the social dialogue within the economic and social council is currently non-existent. It is unacceptable as it is an excuse for the government not to engage in civil dialogue. Ad hoc consultations must be carried out. **(SI)**
- There is a limited CSO involvement, including from the scientific community. There is an insufficient awareness of the European Semester in the public space and consequentially a weak focus of CSOs on the topic. **(SK)**



<b>Description of OCS involvement</b>
<ul style="list-style-type: none"> <li>• The key platform for this dialogue is the Council of Economic and Social Agreement (tripartite). There is no national economic and social council or competitiveness council. <b>(CZ)</b></li> <li>• Every year, GII comments on the national reform programme in the form of a position paper. With the European Commission regular consultations are organised after the publications of the CSRs, before the publication of the country reports etc. <b>(DE-GII)</b></li> <li>• The main forum for civil society to engage in dialogue with the government on the CSRs in 2023 was an approximately two-hour "National Reform Programme stakeholder engagement" organised by the Department of the Taoiseach with civil society organisations and the social partners in February 2023. We are not aware of any other such engagement on these matters. <b>(IE – GII)</b></li> <li>• A new structured dialogue procedure on the European Semester began in 2023, with the following timetable: February 2023 (1st meeting): Stocktaking and discussion of the implementation of the 2022 National Reform Plan &amp; SGP and the 2022-2023 country recommendations (based on the 2023 country report); end of April 2023 (2nd meeting): Presentation by the Government of the 2023 National Reform Plan and SGP; June-July 2023 (3rd meeting): Discussion of recommendations to Luxembourg. Following general elections in October 2023, a new government took office with a renewed interest in social dialogue, but has yet to put this into practice. <b>(LU)</b></li> <li>• The French Economic, Social and Environmental Council (ESEC) must be consulted by the General Secretariat for European Affairs (GSEA) on the government's National Reform Programme (NRP), which also forms part of the national RRP. Dialogue is structured in principle: the ESEC must be consulted on the government's draft NRP. For this, it meets with the GSEA several times to present a draft plan for the NRP and then the NRP as a whole. The views of the GSEA are heard at the ESEC and it provides feedback to the plenary assembly on what has or has not been taken into account. The GSEA invites the ESEC to its event to express its views. The absence of an ad-hoc working group and an overly tight agenda do not allow the ESEC to provide feedback on every reform proposal, nor to present a specific opinion to the plenary. Dialogue with the European Commission has developed, but there is a short deadline of fifteen days to respond. Social partners stress that the formalisation of the process and link with the European Semester were not always clear. Some associations and federations are not consulted extensively, while others, which are just as representative, are not consulted at all or are consulted too informally. In addition, there is no effective feedback on their recommendations. The European Semester as a whole appears very confusing to many OCS representatives: "PRR, RRF; PNR, European Semester, France Relance, NextGenerationEU" - all these terms and layers make it difficult to understand either the basis of the various mechanisms, or whether or not they form part of the government's social, economic and environmental policy. <b>(FR)</b></li> </ul>
<b>Suggestions for improvement</b>
<ul style="list-style-type: none"> <li>• The federal government should carry out comprehensive dialogues on all Semester documents, not just in the context of drawing up the National Reform Programme. <b>(AT)</b></li> <li>• A permanent consultation of the social partners could be set up in Cyprus, with the possible establishment of a Social and Economic Council. More and better consultation at local level is needed. <b>(CY)</b></li> <li>• The government could do more to take our views into account. And we urge civil society to be involved in a more timely manner. <b>(DK-GI)</b></li> <li>• OCS certainly expects to be involved in a much more meaningful way. <b>(EE)</b></li> <li>• The concepts of social dialogue and civil society need further clarification in order to make them clear to Greek society. The views of the social partners should be included to a greater extent, as there is a gap in the social dialogue. <b>(EL)</b></li> <li>• It is also important to consult more with youth representatives and involve them more actively. <b>(FI)</b></li> <li>• The Croatian government should involve social partners in a dialogue in a more genuine and timely manner. Business associations that are not social partners should be involved in relevant consultations and dialogue with the government. Ministries should plan measures in more detail at the initial phase and actually listen to the points and suggestions of the social partners. A European Semester group within the Council for the Civil Society Development (advisory body to the government, working towards developing cooperation between the government and CSOs)</li> </ul>



should be set up. **(HR)**

- We recommend an increase in the channels for discussion – even the more formal ones, through working groups planned over time, which can facilitate dialogue between the social partners, the government and the European Commission. **(IT)**
- It is very important to increase the competences of social partners and civil society in order to encourage a greater sense of ownership and the desire to actively and meaningfully participate and achieve results. **(LT)**
- Throughout the whole European Semester cycle, dialogue should be organised between the European Commission, government, social partners and civil society organisations, so that organised civil society is able to express its opinions in a binding manner in dialogue with the European Commission. Consultations should be conducted with as broad a group as possible and take various forms, both open public consultations in which documents are discussed and in the consultative and advisory bodies that have been set up. In addition, the main problem is that the deadlines for submitting comments are too short. These usually last several days and concern extensive legal acts, thus making it impossible to carry out sound consultations, all the more so since representative organisations should first conduct internal consultations before taking part in consultations on government positions. This public consultation process must not be superficial or fragmented, as that leads to constant legal changes and instability to the detriment of investment and long-term growth prospects. The length of the public consultation must be appropriate, depending on the importance of the legislation being processed and the legal deadlines (30 or 21 days) for the consultation process to be respected. All draft laws should be subject to mandatory public consultation. Amendments tabled in the course of the legislative process should include a statement of reasons and an impact assessment. A clear timetable is needed for work that would make it possible to plan activities including environmental consultation well in advance. If comments on European Semester cycle documents are submitted, organised civil society is not generally informed of the extent to which the comments are taken into account in the government's position. There are also no formal channels for exchanging information between the European Commission and organised civil society. Every year, all Member States should publish regular reports on the consultation process, transmit them to the European Commission and national parliaments and make them publicly available. **(PL)**
- The informal practice of successive governments meeting with the partners of the Permanent Social Dialogue Committee has been interrupted. It is therefore suggested that we return to this practice. The European Commission itself (and its representation in Lisbon) should hold these consultations, rather than simply listening to the government's version. **(PT)**
- It is also essential to promote young people's participation in various forms of non-formal education, especially those linked to specific skills in the fields in which they are professionally engaged. They want to be involved, to play a more active part in decision-making processes and to be taken into account (more) seriously. **(SI)**

## **Section II: The review of the EU's economic governance rules.**

### **Question 4:**

**Do you generally agree or disagree with this proposal for a review? What are the main advantages and/or disadvantages?**

#### **Advantages and support for the revised rules of the EU economic governance framework**

- We support a reform of EU economic governance for better transparency, citizens' understanding and ownership, and for rules in the service of a stronger economy and social policies. As a result of the COVID crisis and the war in Ukraine, sovereign debt has increased significantly both at EU level and in Member States. In such a context and to avoid negative consequences for businesses and citizens, it is essential to ensure that these debts are repaid through growth and not by increasing taxes or further inflation. Thus, having a credible, respected, investment- and growth-friendly framework for economic governance is essential. Focusing on Member States' net primary expenditure can simplify the rules and develop medium-term adjustment paths to return to the reference values of 3% of GDP for government deficits and 60% for debt. Such greater flexibility must go hand in hand with credible

enforcement to ensure the sustainability of public finances across the EU. **(BE)**

- According to GI, the reform of the EU governance framework is substantively sound, both in terms of general objectives and different attitudes towards countries with higher and lower amounts of debt. The link between the content and the need to achieve greater resilience and strengthen open strategic autonomy is also appropriate. GIII supports the efforts to halt the growth of public debt. **(CZ – GI and GIII)**
- GI and GII supports the new rules. GI underlines that it is essential that the SGP be respected, while GII welcomes in particular the flexibility, public investments and the social dimension. **(DE – GI and GII)**
- GI supports the new rules. According to GII and GIII, it is positive that the Commission is adapting the EU's economic governance framework to match the new realities and challenges **(DK)**
- OCS supports the new rules. **(EE)**
- The EU economic governance framework is considered to be simpler and more transparent. Moreover, the combination of fiscal policy, investment and reforms are considered to be particularly important for achieving socially and economically sustainable development **(EL-GIII)**.
- OCS agrees with the initial proposals of the European Commission (communication of November 2022 and legislative package of April 2023), in particular that the reduction of the public deficit and the reduction of public debt, with guarantees of its sustainability in the medium and long term, should be achieved through national fiscal and structural plans (4+3 years duration) with differentiated paths that take into account the specific situation of each country. The great challenge is to ensure a consistent budgetary policy, which guarantees a sustained reduction of public debt in over-indebted countries while allowing them to preserve public investment and growth. **(ES)**
- Finnish sovereign debt has risen and the deficit could be above 3 % of GDP without new measures. Therefore, the position of Finland vis-à-vis the EU fiscal rules is changing: Finland will probably receive much more guidance from the EU in the future. We agree that the fiscal rules and their implementation have to be the same for every Member State and they have to safeguard sound public finances. **(FI)**
- GI supports the gist of the proposal to amend the fiscal rules so as to reduce their pro-cyclical nature and to take into greater account fiscal policy circumstances specific to Member States. Similarly, the proposal to exclude defence and green transition spending from deficit/debt calculations makes sense, subject to Member States ensuring the transparency of the proposal. **(HR -GI)**
- OCS generally agrees with the main priorities of the reform proposal of the EU's Stability and Growth Pact, concerning the fiscal governance system and its coordination of the Member States. The positive features include more sustainable debt servicing by means of economic growth, the maintaining of fiscal control, governance and discipline. OCS expects simplification, better coordination, and monitoring, also supporting monetary stability, shock reactivity and support for mid-term structural changes. **(HU)**
- There are two important aspects: the need to change the rules because they are no longer fit-for-purpose (without drastically modifying the treaties) and the need to identify and "negotiate" the necessary paths with individual countries, spreading over time the commitment to adjustments to meet targets. Therefore, the greater flexibility in terms of budget rules is seen favourably. **(IT)**
- OCS believes that the proposed changes should be seen as positive as they create a link between Member States' medium-term plans for fiscal policies and the necessary reforms and investments required by the European Commission's recommendations. **(LV)**
- OCS generally considers this revision positive, among other things because it includes a more realistic and country-specific deleveraging path for Member States with debt ratios above 60%. **(NL)**
- OCS approves of the proposal to make fiscal assessments conditional on (potential) future GDP, depending on factors such as the scale and effectiveness of capital expenditure and innovation. **(PL)**
- GI and GII generally agree with the proposal. The advantages are that countries' fiscal policies are allowed more flexibility and allow for deficits created by certain structural reforms. Many

countries need structural reforms but have found it difficult to carry them out as they can have a very negative impact on the budget in the short term, even if growth later increases and thus leads to a budget surplus. Another advantage is that it attempts to get countries to take responsibility for their fiscal policy with independent national institutions. According to GIII, the proposal is essentially better than the current framework, it is a more flexible and long-term approach for public finances based on investment needs and plans. The main advantage of the proposed framework is that it provides greater scope for longer-term planning and for larger investments, both to stabilise national economies and to contribute to the Union's common objectives, not least with a view to the green transition, digitalisation and common security. **(SE)**

- In principle, the national medium-term fiscal and structural plans, with the possibility of extending the period of fiscal adjustment under certain conditions, could have some positive effects. **(SI)**

**Disadvantages of the revised rules of  
the EU economic governance framework and points of disagreement**

- Although the Commission's proposal offers more flexibility compared to the old rules, from the employee perspective, it is still far from a urgently needed realignment towards socio-ecological progress. GII rejects the agreement reached in the Council because it could lead to significant spending cuts in many Member States and there is too little room for urgently needed investments in the socio-ecological transition. Ultimately, they are neither simpler nor more transparent. **(AT)**
- According to GI, a long-standing topic that is not addressed in practice is the very poor practical enforcement, which does not compel Member States to act appropriately within this framework. **(CZ – GI)**
- According to GIII, The question is less about the economic governance model than about a discussion of welfare and well-being. **(DE – GIII)**
- In Greece, there are concerns that the obligation on Member States to reduce, by an average of 0.5% of GDP annually, their budget deficit that is above 3%, is likely to lead to overly restrictive fiscal policies. **(EL-GIII)**
- OCS expresses its concern that the instrument for measuring debt sustainability – DSA, Debt Monitor 2022 – has clear pro-cyclical components and a bias against the role of investments in debt sustainability and will not be reformed until after the negotiation of the national plans. OCS also stresses its concern about the modifications introduced by ECOFIN, in its conclusions of December 2023, with safeguard clauses that should be applied generally by all countries and that distort the principle of differentiation by countries according to their different situations. OCS hopes that this rigid approach can be at least partially corrected. **(ES)**
- OCS states that the current rigid approach does not serve the environmental/social objectives which they are seeking to meet. GII expresses concerns that rules will jeopardise Europe's economic and social success and hurt the most vulnerable. **(FR)**
- According to GII, requiring Member States with budget deficits above 3% to reduce their deficits by an average of 0.5% of GDP per year will lead to overly restrictive fiscal policies and austerity measures. This would mean fewer jobs, lower wages, fewer public services and would prevent most EU Member States from making the investments needed to meet the EU's social and climate objectives. **(HR – GII)**
- Increased flexibility is not emphasised very much, and even if it is, only for the Member States with a budget surplus – but this has been the case even before. The disadvantages is the lack of real flexibility: this is not available for the Member States with higher budget deficits; it does not provide resilience support either to manage crises and recessions or to carry out urgently needed environmental tasks; the rule of annual correction can be too rigid for crisis and recession control; some find an imbalance in the competency split between the EU and the Member States, and also between the weights of components of the plan. **(HU)**
- GI disagrees with the European Commission's proposals concerning the EU economic governance framework. It believes there were serious flaws in the Commission's proposals, which some Member States' governments did recognise and sought to limit the damage but that the Council's text would still leave the EU with a fundamentally bad framework that would only push the European economy further towards another recession. It would leave Europe cutting expenditure at a time when we need to be increasing public investment, particularly to achieve

just green and digital transitions. According to GIII, the review of the rules looks more like a return to the ideology that prevailed post-2008 rather than any recognition of what worked during COVID-19. As has been widely documented, the European Union has never provided any economic justification for the 60% debt and 3% deficit rules. Despite their status in the European treaties, these rules represent an ideological position rather than an economic analysis, and they should never have been made part of the treaties. The Commission's proposal that "the Treaty reference values of 3% of GDP deficit and 60% of GDP debt should remain unchanged" is simply wrong. We do not agree that the Commission should continue with this policy approach. This is particularly the case when the people who are hardest hit are among the most vulnerable and excluded in society. Not least, there is a strong argument to move away from a singular focus on GDP as the measurement of economic progress. As a small open economy, Ireland's GDP statistics are not a reliable indicator of how its economy is doing – in particular the economy most people living in Ireland experience. It also runs counter to the Commission's own climate goals to fixate upon GDP as the central axis upon which debt and deficit rules are based. Common methods to calculate national debts and transparent reporting are all sensible but if the central idea is wrong (as it is), the whole governance framework will reinforce an economic model that serves too few people, that leaves whole communities in poverty and at a disadvantage, and that is unsustainable socially and environmentally. **(IE – GII and GIII)**

- OCS is dissatisfied with the new economic governance, not with the changes, but with the choice made with the new stability pact. We need to increase growth to remedy the deficit, but in the coming years we will find ourselves faced with cuts to public spending that risk becoming unsustainable. **(IT)**
- The review of the economic governance rules may pay off and may be successful in Lithuania or the northern countries, but not necessarily in the southern countries, which will affect the interests of the entire EU. **(LT)**
- The new rules are as complex as the current rules. The Member States' reference adjustment path for net expenditure may deviate from the technical path set out by the Commission, if based on different assumptions. The revised framework does not include a golden rule for investments in the green and digital transitions. The current (old) framework is too complex, not transparent, and therefore not credible. It has no strong "ownership" dimension, combined with the discretionary power of the Commission, and its complexity has increased significantly in recent years. GI points out that sanctions have never been applied for not complying with the SGP, and they fear that sanctions will not be applied in the future either. However, GII is much more critical of sanctions, since they run counter to European solidarity and will probably have a counter-cyclical effect. **(LU)**
- OCS is concerned that such consolidation may even reduce inter-departmental cooperation at national level in preparing and monitoring the implementation of these plans. This may in turn lead to a risk of the social partners and civil society organisations being involved even less than at present, or not at all. It is positive that the reform proposal underlines the need to increase the involvement of stakeholders in this process; however, there are still concerns that it will be formal, not meaningful, as is already often the case within the existing system. **(LV)**
- Restoring numerical debt reduction indicators can be detrimental as experience shows that one-size-fits-all solutions have not worked. Pursuing deficit reduction, with the specific objective of setting the debt-to-GDP ratio on a downward path, could reduce sources of investment and social expenditure at a time when both are absolutely necessary. As regards the proposal to make fiscal assessments conditional on (potential) future GDP, the drawback of this solution is that the impact of current policies on potential GDP is very arbitrary. In this context, private investment is seen as important first and foremost, but so is public spending, ideally as investments that build social capital in education, health, civil society and institutional support. In a negative scenario, public spending stimulates consumption with a short-term electoral perspective. **(PL)**
- The new rules of economic governance are worrying, given that, in a country with experience of external interference, we know how much weight they can have in the national economy. There are reasons to be concerned about European interference, forcing governments to make the wrong choices without consulting OCS. **(PT)**
- According to GI and GII, the disadvantage of the proposal is that although the fines are reduced,

there is no automatic penalty or sanction for countries that break the rules. The countries will continue to decide whether to impose fines and this has never happened and is unlikely to happen in the future. However, it is positive that the issue is being raised, as the increased debt in the EU is a risk that affects the Member States. Even in a new fiscal policy framework, both investments and consumption in large parts of the Union risk being limited, which is ominous now that we really need investments in areas such as the green transition and education/care. According to GIII, the main disadvantage of the framework is that there is no mechanism to require Member States with strong fiscal positions to pursue expansionary investment policies to contribute to common EU objectives. There is also no reinforced or permanent possibility of joint initiatives such as the recovery fund. There is thus a lack of fiscal policy coordination that stimulates investments in addition to keeping budget deficits down. (SE)

**No information available for this question**

CY and RO.

### Recommendations

- Need for greater national ownership of plans, including OCS. (BG)
- According to GI, it should be ensured that practical enforcement of the rules is feasible, otherwise the content of the proposal to improve governance will not be very effective. According to GII, the social situation of vulnerable groups must also be taken into account when establishing targets and actions. According to GIII, the right balance must be struck between fiscal indicators and the capacity of the public sector to support development. Fiscal-structural plans also need to take into account public policies other than fiscal policies. They also need to be able to respond to extraordinary challenges such as the COVID-19 pandemic and the war in Ukraine. In the process of preparing and evaluating fiscal-structural plans, the partnership principle must be followed, which will include representatives of organised civil society, including representatives of NGOs. (CZ)
- OCS stresses that it is important to have a flexible system of economic governance, adapted to each Member State, which induces investments leading to sustainable growth and employment. According to GII and GIII, it is important that a new management system not only focuses on savings, but also encourages investment. The EU must support the Member States in being able to pursue policies that generate sustainable growth and employment. There is no one-size-fits-all solution, and the EU must take this into account in its economic governance framework. (DK)
- There is a need for effective implementation of the reforms and objectives and an independent, reliable and transparent mechanism must be set up in order to ensure that Member States fulfil the commitments made in their medium-term fiscal-structural plans. (EL-GIII)
- OCS considers it very important that the "national ownership" of the commitments included in the agreements on fiscal and structural plans, negotiated between the Commission and national governments, be strengthened. To this end, it would be very important to give a stronger role to national parliaments, regional and local authorities, social partners and civil society organisations. This is very insufficiently reflected in the Commission's legislative package. OCS is also of the opinion that the national sustainability path should begin with an initial document prepared by each national government and/or by the independent national fiscal authority and be subsequently agreed with the Commission, and not the other way around, as is the case in the legislative proposal. (ES)
- OCS calls for the removal of green investment from the convergence criteria of the Maastricht Treaty. The SGP should be more flexible. It is also crucial to take environmental and social issues into consideration. GII calls for (1) the establishment of a common, pooled and permanent fiscal capacity, following on from NextGenerationEU and the RRF, to support the public investment needed to transform our development model; (2) for a set of fiscal measures to provide new financial resources at European and national level to stimulate and guide public and private investment, including for the achievement of common European objectives; (3) the introduction of a social imbalance procedure, which would fully integrate the budgetary and macroeconomic procedures of European governance in order to correct the current priority given to budgetary and economic policy, and to safeguard the budgetary resources of the Member States needed for investment in social and environmental policies. GII also calls for a radical reform of the SGP which would abolish the double ratio of 3% and 60%; introduce a "golden rule" for public investment that excludes investment in the green and digital transitions from the deficit rules; continues the European solidarity mechanisms implemented during the pandemic, ban all public

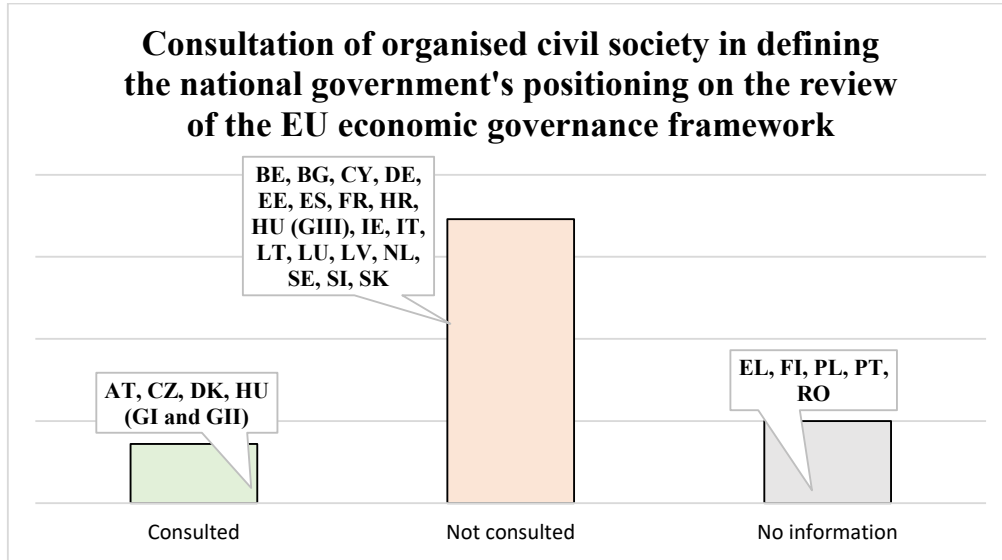


funding for companies that evade tax; and introduce strong conditionalities and a corporate tax regime that allows national budgets to finance public investment and public services. **(FR)**

- According to GII, social partners should be involved with an obligation for permanent consultation at the different stages of the new economic governance framework. GIII agree with the reform proposal if it excludes investments in digitisation and the Green Deal. **(HR – GII and GIII)**
- GI supports the recommendation by the EESC for permanent and structured consultation at the different stages of the new economic governance framework. GI and GII call for a simpler and more transparent economic governance framework, for the social partners and civil society organisations to be involved in the proposed regulation, with an obligation for permanent and structured consultation, and for strengthening democratic accountability. Supranational, democratically accepted boundaries and monitoring can be useful and important. The details might merit further explanation, for example: the risks (including unintended consequences) of making budget deficit targets more adaptable to Member States' specific circumstances; the impact of a greater role for Member States in setting a "sustainable path"; whether the existing governance framework can be said to have been too stringent when no fines have been applied, though simultaneously they have been depicted as being a barrier to necessary investment in, say, infrastructure; whether the reforms overcome issues involving the "output gap" for Ireland; the consequences for national legislation/constitution and the "Treaty on Stability, Coordination and Governance in the Economic and Monetary Union"; whether Ireland has already applied some of these measures. **(IE – GI and GII)**
- OCS calls for a social and supportive Europe that is able to reduce inequalities and face the technological and climate transition without weighing on the shoulders of the weakest workers and citizens. Member States' room for manoeuvre must be expanded in terms of adaptability of instruments, in relation to objectives which should be indicated in a strategic direction and not in the form of constraints, through clear rules. To guarantee a European governance which is suited to the volatile times we live in, which gives greater weight to growth than to stability (austerity was pro-cyclical in some phases), but reasonable with respect to the compatibility between finance objectives and economic growth objectives – for example, avoiding the inclusion of investment expenses with a high social and economic impact, such as those of the RRP, in the deficit calculation is crucial for increasing and strengthening the EU's competitiveness. **(IT)**
- We would like to see more explicit room for climate investments, also for Member States like the Netherlands with a debt ratio below 60%. According to the GII and GIII groups, the revised framework should also make more room for encouraging investment and ecological and social reforms. **(NL)**
- It would be appropriate to determine what kind of expenditure should not be cut to reduce deficit and debt levels. This should include areas important to the public (to be decided between the European Commission, Member States and organised civil society), or military spending (currently increasing due to the geopolitical context), which should not be counted in the EU's calculation of debt and deficit levels. The EU should do more to foster a business-friendly environment and motivate companies to invest and innovate. The business approach of entrepreneurs would help increase growth potential while also reducing fiscal tensions. Increasing the role of the state, including the EU level, eliminating market forces, overregulation, intra-EU protectionism, blocking the full development of the single market in the EU and vulnerability to protectionism from other economic blocs are ways to maintain the development position of an outsider. Oversight mechanisms should be put in place by OCS for the implementation of the plans. **(PL)**
- In addition, and in terms of reforming the system of economic governance, it is increasingly important for the European Semester not to be based solely on macroeconomic indicators, but also to apply the objectives of sustainable development, seeing their impact on the regions. **(PT)**
- OCS must be actively involved in implementing the new rules. **(SK)**

**Question 5:**

Has your organisation been consulted or is it being consulted in defining the position of your government on the Commission legislative proposal currently under discussion within the European Parliament and the Council of Ministers? If so: how? And do you feel that the views of your organisations and civil society at large had been or are being taken into consideration? If not, how would you like to have been involved in the process?



The classification of these replies is the sole responsibility of the authors.

**Consultation of organised civil society in defining the national government's positioning on the review of the EU economic governance framework**

**Consulted by national governments**

- OCS is only partially involved in the consultation process and emphasises the importance of having their views considered. The employee side notes that they were not involved in developing the Austrian position. Overall, the process is extremely opaque compared to other dossiers, especially in the Council working groups. **(AT)**
- The reform of EU economic governance was one of the points at a round table on government affairs with social partners and civil society, which was otherwise aimed at preparing a report on implementing the NRP. GI has commented on a number of proposals. At the same time, it is continuously in touch with representatives of the Czech government and ministries and seeks to respond in a timely manner and to comment on relevant topics. In addition to invitations to meetings and participating in working groups and committees, this mainly concerns the proactive approach taken by the EU to ensure that the views of employers' representatives are heard. For some proposals, GII has been invited to give an opinion, which should influence the Czech government's framework positions on these proposals. In some cases, however, it seems to GII that this is only a formality and the position of trade unions is not seriously taken into account. However, in many cases it is the opposite and they have been successful in promoting our views. According to GIII, there is no formalised procedure for involving NGOs in the process of drafting various documents. It is partly coordinated by the Government Council for Non-Governmental Non-profit Organisations EU Committee, with some of its members taking part in the discussions, often as representatives of the sending organisations. The views of civil society tend to be considered very reluctantly. This is because the public administration sees the non-profit sector as inferior and not beneficial. **(CZ)**
- It has been possible to provide input through, for example, the Danish EU special committees. **(DK)**
- GI and GII have been part of the consultation process and their inputs have been taken into consideration. This is mainly due to their membership of the National Competitiveness Council and/or the National Economic and Social Council, although the latter one has more of an

informative role and little competence in decision-making. **(HU – GI and GII)**

#### **Not consulted by national governments**

- No, because Belgium has no official position on this legislative proposal. Moreover, at no point were our organisations directly consulted on this proposal. However, we shared our arguments jointly with the social partners through reports and own-initiative opinions prepared through the Central Economic Council of Belgium<sup>17</sup>. We also refer to the documents on the Central Economic Council's site for further details on the ideas and recommendations. **(BE)**
- OCS has not been consulted. **(BG, EE, ES, HR, IE, LU, LV, SI)**
- OCS is not being consulted. The implications of the new rules should be explained in detail to Cypriot society. **(CY)**
- There has not been any proper consultation process **(DE)**
- OCS is not properly involved. In October 2023, the government explained the planned reforms to the national economic and social council, but their document was not definitive. It was therefore inappropriate for us to take a position at this stage. **(FR)**
- Some of the GIII organisations state that they are not consulted and that they are not even aware of this review. Other mention that they gave an input, but it has not been taken into consideration or they are not informed about it. **(HU – GIII)**
- OCS is not properly involved, except through parliamentary hearings on the DEF and the Budget Law. The attention given to our requests was not particularly high, in any case the consultation was limited, if not circumstantial and linked to other contacts or collaborations established with the government, therefore not specifically promoted and focused. **(IT)**
- Consultations, which are sometimes closed, take place in writing, remotely, rarely live, but possibly there is lack of participation of the civil society organisations. However, it has to be noted that there is insufficient consultation at both the national and European level, or it takes place only at the last stage, when everything has already been prepared and all that remains is approval. Consultation at an earlier stage is necessary. **(LT)**
- OCS was not consulted. GI had only access to a limited consultation process through our European parent Business Europe. To date, GII representatives have also been involved through their European secretariats and federations. Not via the Dutch government. **(NL)**
- OCS is not being consulted. However, the high level of consensus on these policy matters in the Swedish society makes this less important. **(SE)**
- OCS is not properly involved. GIII stresses that the capacity for technical social and civic dialogue is insufficient and that involving society in the processes is complicated. Civil society is not systematically called on to discuss economic governance and, where it is called on to do so, its comments are taken into account. **(SK)**

#### **No information available for this question**

EL, FI, PL, PT and RO.

#### **Recommendations on how the OCS requests to be involved in the process**

- Stronger involvement and consideration of civil society perspectives is urgently needed. Social partners should be officially consulted and given the opportunity to present their proposals as part of a comprehensive dialogue process with the federal government. GI requests that this crucial topic for economic policy be developed and implemented more democratically. **(AT)**
- It should have been discussed through formal procedures, with the national economic and social council and the Council for Development of Civil Society, and with relevant business associations. **(HR)**
- According to GIII, effective involvement of NGOs is possible if public administrations – politicians and officials – understand the importance of NGOs and create the conditions for real participation, e.g. by building capacity for consultation. **(CZ – GIII)**
- They should be more involved. National political and social actors should play a bigger role in national agreements on such plans. This is why the involvement of national political actors -

<sup>17</sup> [ECONOMIC AND SOCIAL DIALOGUE](#)

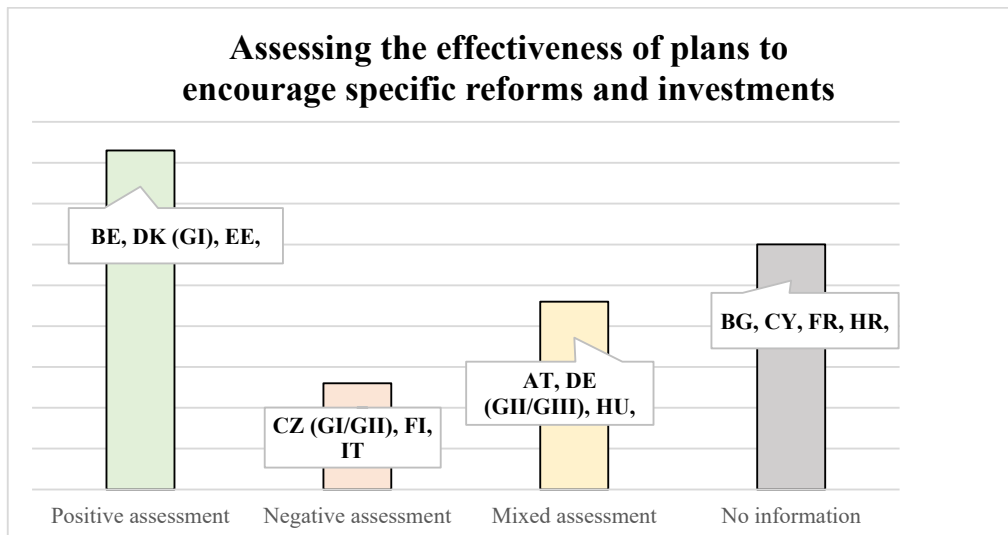


parliaments, regional and local authorities – and of social partners and civil society organisations in drawing up and implementing national fiscal and structural plans is so important. (ES)

- According to GI, more targeted consultation is required to facilitate the views of OCS. They would prefer more direct engagement by means of one-to-one meetings with department or Commission officials regarding EU legislation affecting our membership. GII points out that they would like to be given the opportunity to set out their position on the proposals directly with government, to have a meaningful exchange with government on these matters and to seek and secure a commitment from government to continue such an engagement over the course of the negotiation on these proposals. Social partners believe that it would be useful to consider how greater engagement could be facilitated. It would be important to understand how this might overlap with direct engagement of social partners in EESC. They are trying to engage as a national ESC with the EESC, for example in recent work on agreeing a statement about the twin transition. Ireland's presidency of the EU from July to December 2026 offers potential opportunities. GIII calls for stronger, more inclusive, national social dialogue. There needs to be more genuine structural engagement by government and officials with the views and expertise that community and voluntary bodies can provide. They call for a wholly new collaborative governance approach and/or a new social dialogue. In relation to the Commission's reform proposals, civil society would be able to provide detailed evidence of the negative effects on communities and vulnerable groups in society of the Commission's debt and deficit policies post-2008. Civil society can also provide insight into the social policies needed to achieve a genuinely just transition to a low carbon economy. It can provide insight into how to support care work, volunteering, community development and other activities such as just transition initiatives that provide tangible social benefits to households and communities that are not well served by the current economic model. (IE)
- It could take place as part of the social dialogue meetings on the European semester between the government and the social partners. (LU)
- Discussions should take place in the various established consultative fora, both within the Cabinet of Ministers, e.g. in the Tripartite Cooperation Council, the Memoranda Cooperation Council, the Advisory Councils of the Ministry of Finance and the Ministry of Economics, and in working groups. (LV)
- A strong consultation process with organised civil society is required. It is also important to actively involve the broad range of civil society organisations in European legislative work at national level. This also helps to dispel the pervasive misunderstanding that European legislation is made in Brussels backrooms separately from the Member States. (NL)

**Question 6:**

According to the proposal, each Member State would draw up a national medium-term fiscal-structural plan. Furthermore, it would be possible to extend the fiscal adjustment period if underpinned by specific reform and investments. Do you think that such plans would be effective to encourage specific reform and investments?



The classification of these replies is the sole responsibility of the authors.

Assessing the effectiveness of plans to encourage specific reforms and investments
<p style="text-align: center;"><b>Positive assessments</b></p> <ul style="list-style-type: none"> <li>• It is possible because it provides a good incentive to move in the right direction. <b>(BE)</b></li> <li>• GI does generally support any fiscal-structural plans being clearly linked to specific reforms and investment. Effectiveness would depend on oversight, enforcement and consequences. <b>(DK – GI)</b></li> <li>• We believe that medium-term fiscal-structural plans could be effective. <b>(EE)</b></li> <li>• The plans should indeed encourage reforms and investments. The national political and social actors should play a bigger role in national agreements on such plans. This is why the involvement of national political actors – parliaments, regional and local authorities – and of social partners and civil society organisations in drawing up and implementing national fiscal and structural plans is so important. <b>(ES)</b></li> <li>• In theory, the plans should indeed encourage investments and reforms. It remains to be seen how it will work out in practice. Whether or not there is sufficient flexibility to strengthen the "growth" component depends on the starting position of the various Member States in terms of deficit/debt. <b>(LU)</b></li> <li>• This would bring the duration of the state budget in line with the fiscal-structural plan, which in turn would allow for more freedom, while respecting fiscal discipline, long-term investment and investment in national growth. This, undeniably, gives the state more room for manoeuvre and makes it more resilient to economic and fiscal challenges. <b>(LV)</b></li> <li>• Drawing up a (medium-)long-term plan to avoid pro-cyclical fiscal policy is welcome. Reforms should be part of that. <b>(NL)</b></li> <li>• In principle, the national medium-term fiscal and structural plans, with the possibility of extending the period of fiscal adjustment under certain conditions, could have some positive effects. <b>(SI)</b></li> <li>• MTFSPs would allow the country to improve the country's competitiveness by tackling the declining quality of education. <b>(SK)</b></li> </ul>
<p style="text-align: center;"><b>Negative assessments</b></p> <ul style="list-style-type: none"> <li>• According to GI, this would be more than welcome if the general EU framework were brought into line with national specific circumstances and needs of Czechia. However, there is so much ground to cover that in practice it could never happen to the extent that it would be effective. Thus, the national medium-term fiscal-structural plan will meet the same fate as the National Reform Plans or Convergence Reports – all the boxes ticked and nothing more. According to GII, these plans may, in some cases, conflict with the priorities of the government that will come to power after the plans have been developed. <b>(CZ – GI and GII)</b></li> <li>• It may be quite problematic to have any preferential treatment for investment in the new fiscal rules. It is difficult to separate profitable investment (i.e. growth-enhancing projects/reforms which would lead to increased revenues in the future) from current expenditure. <b>(FI)</b></li> <li>• The flexibility introduced is not sufficient to take the necessary expansionary economic measures in the coming years. <b>(IT)</b></li> </ul>
<p style="text-align: center;"><b>Mixed views</b></p> <ul style="list-style-type: none"> <li>• However, GI does not see the fiscal plans as a departure from the previous restrictive fiscal rules. Rather, there is a risk that the "just transition" will be slowed down due to fiscal rules. GII and GIII see the medium-term structural fiscal plans as an effective tool for promoting specific reforms and investments, for example, in healthcare. The possibility of extending deadlines for specific commitments is viewed positively by some. <b>(AT)</b></li> <li>• According to GII, the general problem with the reviewed framework and the plans is that the proposals will exacerbate the democratic deficit of EU economic governance. The binding nature of the CSR will significantly increase. The European Commission's discretionary powers will be considerably expanded without strengthening parliamentary control at the same time. Nor does the planned reform contain any proposals for improving the involvement of the social partners in coordinating economic governance. Strengthening the democratic principle in EU economic governance and safeguarding the democratic options of the parliaments of the Member States with regard to their fiscal policy is indispensable, not only to increase the "ownership" of the rules, but</li> </ul>

also to strengthen the legitimacy of the EU in economic policy issues. GIII believes that the plans would be effective in encouraging specific reform and investments. **(DE – GII and GIII)**

- A part of OCS agrees that such plans may help encourage reforms and investments, first of all those addressing mid to long-term plans or chronic crises and recession. Investments must increase the general level of productivity. In these areas, the longer correction periods can be an advantage. If the plans are coordinated, they can improve the resilience of the Member States, and so of the whole Union. However, another part of OCS thinks that there is no real correlation between the mid-term fiscal structural plans and encouraging reforms and investments. It is also pointed out that this relationship is a two-way street. Others note that the scope is limited, i.e. some flexibility is granted only to the surplus economies only. It is pointed out that implementation will be key, while the significant additional reporting on compliance reporting could reduce progress. **(HU)**
- GI supports this strand of the proposal, especially regarding the possibility of extension in the context of reform and investments. Often, however, investments in infrastructural projects of national importance are hindered by issues at national level which are specific to the Member State. In the Irish context, we have repeatedly referenced issues such as planning reform as hindering such investments. Therefore it is unclear whether this strand of the proposal will be effective in speeding up reforms or investments by itself. According to GII, it is difficult to say but could depend on the degree of conditionality and also the nature of the specific reforms and investments. According to GIII, as a basic principle of good governance, planning is valuable, and it is essential to have detailed plans in place to achieve the kind of major transformation of the economy that is necessary to achieve Irish and European climate action commitments. However, the Commission's proposals do not link climate goals with fiscal adjustment or investment. Instead, they allow for some deviation from the non-sensical 60% debt rule if countries engage in the kind of self-defeating austerity that was imposed post-2008. The Commission's proposals are simply not credible when viewed alongside the existential threats facing European society. **(IE)**
- OCS states that the plans could indeed encourage investments and reforms. However, additional measures are essential. According to GI and GII, the framework does not provide sufficient incentives for consolidation in good times and does not reduce debt when it forces austerity in bad times. According to GIII, it is doubtful whether countries that currently have a high debt ratio will be able to prioritise the investments that would be needed to effectively contribute to the Union's objectives, given the Treaty-based rules on a deficit of 3% and a debt ratio of 60% of GDP. **(SE)**

**No information available for this question**

BG, CY, FR, HR (OCS does not have sufficient data on the envisaged plans to give an answer), LT and RO.

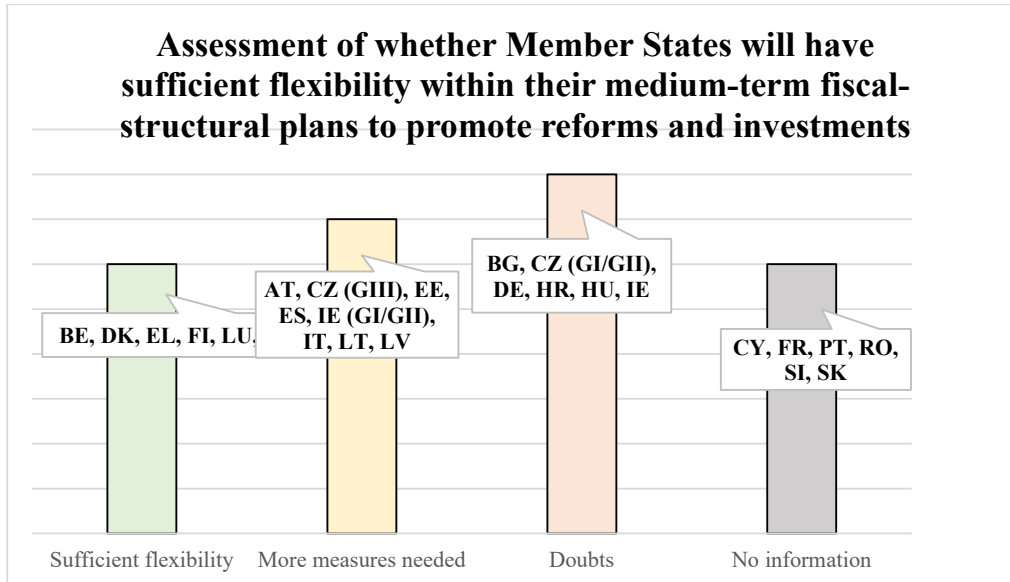
**Recommendations**

- On top of MTFSPs, additional methods should ensure that the reforms and investments, which are crucial and absolutely necessary for the future of EU countries, are undertaken by the government. An investment and growth-friendly framework, addressing the challenges and opportunities in new technologies, energy investments and developments and higher sustainable growth is essential. **(BE)**
- According to GII, the plans and the proposed measures must be the result of a greater consensus of political parties, social partners and other relevant partners. The measure must not be forced through by one group only. According to GIII, the plans must contain a sufficiently robust structural part and not just focus on fiscal policy. **(CZ – GII and GIII)**
- These plans should clearly be linked to specific reform and investment. Effectiveness would depend on oversight, enforcement and consequences. **(DK-GI)**
- The plans need to take into account Member States' specific circumstances, support long-term stability and development, and contribute to regional balance and environmental sustainability. It is also important that the plans are sufficiently flexible to adapt to changing circumstances and needs. **(EE)**
- The just green transition, which all European institutions have formulated as a priority objective, needs additional European funding, as it must be treated as a common European good. It is imperative that the EU be given the fiscal capacity to finance a sufficiently powerful Sovereignty Fund to finance the Green Deal's Industrial Plan without serious distortions of the single market's basic principle of competition. **(ES)**

- According to GIII, medium-term fiscal-structural plans should be aligned with social and environmental goals, including reductions in poverty and exclusion, reductions in regional disparities, increasing social and affordable housing supply, the reduction of greenhouse gas emission and resource depletion, and the restoration of biodiversity. These goals need to be worked on simultaneously. Currently, in practice, the old, outdated and failed approach of prioritising economic development over all else, still dominates. **(IE – GIII)**
- Greater flexibility represents an important factor in relaunching the European economy, to the extent that the plans consider the real possibilities of success of reforms and investments, are constantly monitored both by the European structures and by Parliament and the social partners, and are supported in implementation by a subsidiary relationship between the public and private parties. This should be accompanied by setting up new instruments that respond to a vision of a single European industrial policy. **(IT)**
- The medium-term fiscal-structural plan should take an approach tailored to the specific macroeconomic situation of Poland. It is crucial to raise awareness of the role of long-term plans and actions on a micro level. This problem is more prevalent in post-communist countries than in the EU's founding countries. The plans should be subject to multifaceted consultation. The government should make every effort to ensure that consultations on the plan include as many national dialogue bodies as possible, such as: the Social Dialogue Council (SDC), the Public Benefit Works Council (PBWC), the European Semester follow-up group, the NRRP follow-up committee when the plan overlaps with the RRP, and the Committee for the Partnership Agreement. Social partners and federations of non-governmental organisations should also be specifically invited for consultation. In addition, the consultation process should be open to every citizen in an accessible and staggered manner to collect as many comments as possible. In order to monitor the implementation of the plan, an annual report analysing deviations, including with respect to social aspects, and proposals for corrections should be drawn up. The possible effects of implementing the plan to address social tensions should be widely discussed and in the event of emergencies (war, natural disasters, pandemics, etc.) it should be possible to quickly adjust plans to avoid exposing at-risk groups to secondary exclusion. **(PL)**
- The effectiveness of national plans will depend on their first being a plan and then a budget, and on these plans being discussed and drawn up in social dialogue, with government officials taking responsibility for the plans' implementation. The role of the social partners must be recognised both in the design of plans and in the implementation of investments. These plans will be improved with structured consultations with OCS. **(PT)**
- According to GI and GII, by extending the focus to medium-term fiscal policy, structural reforms and public investments that have a short-term negative impact on the state budget can be possible, which can create growth, but investments in public welfare are also important for businesses. A good business climate is essential for economic growth; rules must be simple, logical, predictable and long-term. We emphasise the importance of cost awareness when using public funds. Well-targeted public investment that enables increased private investment and development leads to greater prosperity. But poorly designed public investment can be a waste of taxpayers' money and crowd out other necessary and urgent spending. According to GIII, a national medium-term fiscal and structural policy plan is a welcome proposal, but these should be designed to focus on objectives and not be tied to specific measures, i.e. not activity-level plans. Ongoing monitoring of efforts to meet targets is essential. **(SE)**

**Question 7:**

The new rules propose to strengthen the capacity of Member States to undertake reforms and investment to support common priorities (such as the twin transitions), thus reinforcing the "growth" leg rather than the "stability" leg, compared with the old rules. Do you think Member States will have sufficient flexibility within their medium-term fiscal-structural plans to promote such reforms and investments, while they also need to adhere to the 3% deficit and 60% debt-to-GDP rules?



The classification of these replies is the sole responsibility of the authors.

Sufficient flexibility
<ul style="list-style-type: none"><li>• There is certainly enough flexibility. It has always been up to individual countries to make the necessary reforms and investments to ensure the best possible future for them. It is not so much a matter of flexibility as of political courage. However, this does not mean that EU economic governance should do nothing to encourage it. On the contrary, such a framework should encourage the government to steer such reforms and investments in the right direction. <b>(BE)</b></li><li>• OCS supports these plans and their flexibility and stresses the importance of having a flexible system of economic governance, adapted to each Member State, which induces investment leading to sustainable growth and employment. <b>(DK)</b></li><li>• OCS underlines that the relaxation and flexibility of the new rules is a positive development, while the specific circumstances of each sector should be taken into account. <b>(EL)</b></li><li>• There should not be too much flexibility, as it could undermine the credibility of the whole process. Finland did not have a major growth driver – this needed to be addressed: the future of job creation and the stability of the welfare system depended on it. <b>(FI)</b></li><li>• OCS believes that the flexibility provided is sufficient and underlines that it remains to be seen how it will work out in practice. Whether or not there is sufficient flexibility to strengthen the "growth" component depends on the starting position of the various Member States in terms of deficit/debt. <b>(LU)</b></li><li>• OCS can see the potential role of the plans to encourage investments and reforms. However, the Netherlands, with a debt ratio below 60%, is only marginally affected by the revision of these rules. <b>(NL)</b></li></ul>
More flexibility, more measures needed
<ul style="list-style-type: none"><li>• The organisations see the need to strengthen the growth aspect without neglecting the stability rules. Flexibility in medium-term plans is seen as essential for promoting reforms and investments. However, GI sees this flexibility as hardly given. <b>(AT)</b></li><li>• According to GIII, the plans will bring the necessary flexibility, if the right balance is found between halting government debt growth and the making the investments needed, while also considering the revenue side is also considered. It is therefore necessary to maintain a permanent dialogue with the social partners so that all reforms are socially sensitive. <b>(CZ –</b></li></ul>

### **GIII)**

- In our view, it is important that the new rules provide sufficient flexibility to support the adjustment of Member States' medium-term fiscal-structural plans to specific needs and priorities, including the twin transitions. At the same time, a balance must be struck between fostering growth and preserving financial stability. This is particularly important for businesses for which a stable economic environment and access to investments are vital. **(EE)**
- According to OCS, this flexibility existed much more in the European Commission's initial proposal than in the Ecofin conclusions of December 2023. In any case, the just green transition, which all European institutions have formulated as a priority objective, needs additional European funding, as it must be treated as a common European good. It is imperative that the EU be given the fiscal capacity to finance a sufficiently powerful Sovereignty Fund to finance the Green Deal's Industrial Plan without serious distortions of the single market's basic principle of competition. **(ES)**
- According to social partners, it will provide more flexibility, while this obviously will depend on each Member State's own fiscal position. We would be concerned that Member States would not have sufficient flexibility within their medium-term fiscal-structural plans to promote such reforms and investments while they also need to adhere to the 3% deficit and 60% debt-to-GDP rules. They would very much welcome the focus on growth, but are mindful of the need to focus on sustainable growth. **(IE – GI and GII)**
- OCS welcomes this additional flexibility, while stressing that European decisions regarding "social investments" should be stepped up, which should not be counted towards the deficit. On this last point, our opinion is that investments both in capital account, but also in current expenditure, and following the reforms requested by the Country Specific Recommendations, should not be counted towards the deficit, similarly to the inclusion of national co-financing of structural and European investment funds. Finally, investments made directly by companies for the continuous training of their employees should be excluded from the state aid map. There is an improvement. However, there remain risk factors, if it is not possible to reintroduce a "growth" mechanism (which compensates for the "stability" component). In fact, the situation of Italian public finances is particularly critical, very far from the minimum public debt target and quite far from the deficit target. Therefore, OCS hopes that dynamic rules are created (a realistic policy), capable of adapting to economic situations and which do not detract from growth, but rather which promote it in a targeted and intelligent manner in the sectors with higher productivity and which reduce public debt including through a release of resources, services and potential of the State in favour of the market and, above all, in favour of the social economy. **(IT)**
- According to OCS, the flexibility granted by this revision is generally welcomed and necessary. However, there is a risk that certain reform and investments measures will not be applied, particularly those concerning the public sector, banks and transport. Additional measures are needed. **(LT)**
- OCS welcomes the flexibility provided and underlines that it is imperative to provide for a possibility to make adjustments and to diverge from strict conditions for those Member States that follow the specific recommendations made within the European Semester but for which the investments needed to implement them lead to non-compliance with the 3% deficit rule. **(LV)**

### **Doubts about the flexibility these plans will provide**

- OCS doubts that the plans provide sufficient flexibility. **(BG, HR)**
- GI expresses concerns that efforts to meet common priorities will be delayed. GII expresses concerns that this flexibility may be severely limited or will be limited to measures that they consider to be key from a domestic perspective. **(CZ – GI and GII)**
- OCS states that the plans do not provide sufficient flexibility. GII stresses that if the new rules are implemented, there will not be enough fiscal space to master the green transition. GIII underlines that it does not bring sufficient flexibility mostly because of the inadequate taxation and the lack of administrative capacity. **(DE)**
- OCS is rather pessimistic and thinks that the result is more than doubtful. Concerns are reiterated that the scope for flexibility for deficit economies will be minimal or negligible. In crisis and recession periods, urgent reforms and resources are needed, meaning looser excessive deficit rules to enable swift interventions. Even if the implementation and the execution is correct, the successful outcome of the activities is not a given and will have to be closely



monitored, especially in this post-pandemic world, with the threat of war and economies in deficit. Support for growth is welcome, but it can be undermined by the lack of sustainability. Excessive indebtedness must always be avoided. **(HU)**

- According to GIII, the new rules will not provide sufficient flexibility. Whether they adhere to the 60% debt rule or not, European countries will still face extreme weather events, disruption to food security, and mass migration from poorer countries affected by climate change. Only a central focus on social and environmental goals makes sense. The requirement to adhere to ideological 3% and 60% rules, without economic evidence of their value, will simply reduce the effectiveness of European countries in addressing climate change and the various societal challenges we face, not least our ageing populations, lack of affordable housing and the need for greater social inclusion to overcome anti-migrant political sentiments that are becoming more virulent. In addition, it is crucial that the EU enables reforms and investments that extend beyond the current EU priorities of the twin climate and digital transitions to other priorities that facilitate the full delivery of the EPSR and the wider and integrated approach that supports delivery of the SDGs, while leaving no-one behind. Finally, a growth led approach is now understood as incompatible with the sustainability of our planet, with alternative economic approaches needed which support both social and sustainable outcomes. **(IE – GIII)**
- OCS believes that pursuing deficit reduction, with the specific objective of setting the debt-to-GDP ratio on a downward path, could reduce sources of investment and social expenditure at a time when both are absolutely necessary. **(PL)**
- OCS expresses some doubts. According to GI and GII, the financial framework must result in budgetary discipline and reasonable debt levels over time. Incentives to reduce debt in times of good growth are important to ensure that future generations do not face excessive costs. Future generations face an environmental debt and the financial debt must therefore be reasonable to ensure fair conditions for our children and grandchildren. According to GIII, the framework must balance the risks for future generations of facing either a financial debt or an investment debt in areas such as climate or infrastructure. It is doubtful whether countries that currently have a high debt ratio will be able to prioritise the investments that would be needed to effectively contribute to the Union's objectives, given the Treaty-based rules on a deficit of 3% and a debt ratio of 60% of GDP. **(SE)**

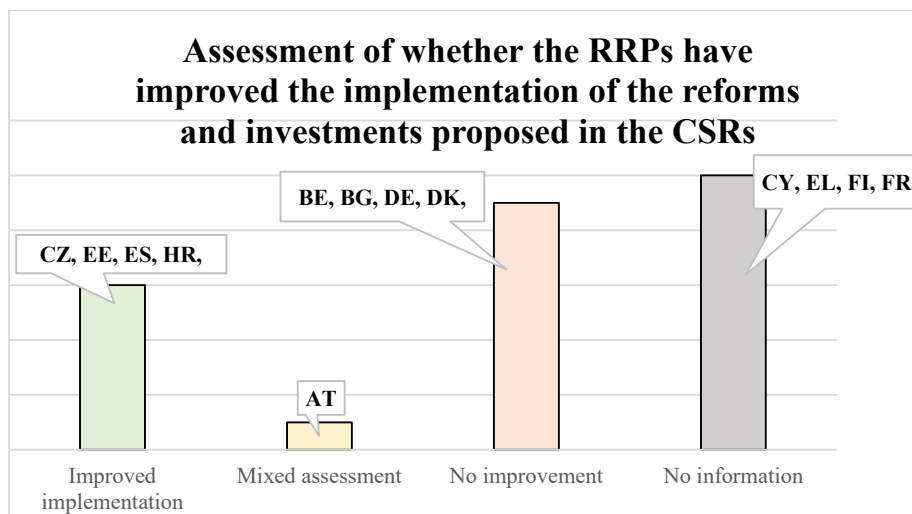
**No information available for this question**

CY, FR, PT, RO, SI and SK.

### **Section III: The implementation of the reforms and investments provided for in the national Recovery and Resilience Plans.**

#### **Question 8:**

**In your opinion, have the Recovery and Resilience Plans improved the implementation of the reforms and investments proposed in the country-specific recommendations or made it more complicated? Why?**



The classification of these replies is the sole responsibility of the authors.

Improved implementation
<ul style="list-style-type: none"> <li>• There was some adaptation or even improvement at the time of recent revisions. It basically reflected the aspect of strengthening strategic autonomy and ensuring resilience (incorporating REPowerEU objectives), but we do not feel that it has led to any significant changes. Financial resources are provided, which can be seen as positive. This encourages the government to move forward with at least some of the recommendations. <b>(CZ)</b></li> <li>• OCS states that the RRP has improved the implementations of the CSRs and their proposals for reforms and investment. <b>(EE)</b></li> <li>• OSC states that, on paper, they have improved, as there is a high degree of consistency between their RRP commitments and the CSRs. The problem arises from the delays in the implementation of the projects. That is, in the phase of actual implementation of investments and application of reforms. <b>(ES)</b></li> <li>• According to OCS, undoubtedly, due to the funding component, the RRP has improved the implementation of the reforms and investments. Just as important is the fact the Commission continues to press for further action so that Croatia fully meets its obligations. <b>(HR)</b></li> <li>• The Italian RRP has certainly provided for reforms and investments suitable for resolving critical issues and modernising the country system, also reported in the Recommendations of the European Commission. To date, also given the long implementation times of the reforms and structural investments, the positive results envisaged by the Plan are not yet evident. Linking recommendations and European implementation instruments of economic policies more closely, such as cohesion policies or the RRP, is certainly welcome and leads to greater integration of the European Union, including in the economic sphere. <b>(IT)</b></li> <li>• Despite the delays in implementation, there are a number of areas where the RRP has improved the implementation of the reforms and investments proposed in the country-specific recommendations. For example, previous support measures introduced due to excessive energy prices have been discontinued. The recommendation ‘Preserve nationally financed public investment and ensure the effective absorption of RRF grants and other EU funds, in particular to foster the green and digital transitions’ has been taken into account. <b>(LV)</b></li> </ul>
Mixed observations – improvements and complications
<ul style="list-style-type: none"> <li>• The recovery and resilience plans have both improved and complicated the implementation of the recommendations in some areas. A differentiated view and adjustment of the plans could make them more effective. In general, it is assumed that the recovery plan has a positive influence on the implementation of the CSRs. However, this could have been stronger. From the employee perspective, for example, the labour market, healthcare, expansion of childcare, elementary education, and the Just Transition are neglected. In these areas, there are too few or no funds at all. However, the plan could have accelerated implementation of the CSRs for equal opportunities in education and the support of full employment for women, for example. <b>(AT)</b></li> </ul>
No improvement
<ul style="list-style-type: none"> <li>• According to OCS, the RRP has not led to better implementation of the necessary reforms and investments. RRP labour market-related projects are insufficient to respond to the challenges and needs as also indicated in the CSRs, and to the 80% employment target set by the Belgian federal government in its coalition agreement in 2020. Market-related RRP projects represent only a large minority of projects overall, and the project on the learning credit does not improve skills and training needs as it only introduces a very rigid and limited digital platform. In conclusion, we observe very little coordination between the projects introduced by the federal governments and those introduced by the different regional governments, leading to inefficient results. <b>(BE)</b></li> <li>• OCS does not see any improvement because the implementation is weak. <b>(BG)</b></li> <li>• According to GI, it cannot be said that the RRP has not improved the implementation of the CSRs because the funds from Germany have so far only been used to a limited extent. GII underlines that the CSR are not very salient in the German public debate and they are widely overlooked by the German government. This has not changed with the recovery and resilience plans. This might change in the coming years when the fiscal rules will be applied once again. However, GIII stresses that the RRP in general are fundamentally correct as a way of increasing transparency and providing a basis for discussion. <b>(DE)</b></li> </ul>



- OCS does not believe the introduction of the RRF has made much of an impact on the implementation of reforms. There is a feeling that the Danish government would have been able to introduce reforms without the RRF, and that it had even planned the implemented reform before the RRF-funds were made available. The effects of the NRRP on the reform process have been very modest, since most of the proposed reforms were already under way and would have been carried out anyway. **(DK)**
- The RRP alone has not brought clear improvements in the implementation of reforms and investments proposed in the CSRs. The situation in Hungary is a particular one, as the implementation of the RRP (December 2022) has been significantly delayed due to its late adoption. It was re-adopted as the RRP of Hungary, amended by the RepowerEU chapter last November. However, at this initial stage, it is difficult to say to what extent the projects have affected the implementation of reforms and investments set out in the recommendations. Through the RRP, more resources are available to carry out reforms and investments included in CSRs. On the other hand, the RRP allows for more comprehensive planning of different developments, which contributes to a more structured consideration of CSRs and common European priorities. At the same time, managing the RRP also entails additional bureaucratic burdens, which adversely affect the effective implementation of investments. There is also a risk that the RRP will focus too much on certain policy areas, which could result in others being marginalised and hampering effective responses to broader challenges. **(HU)**
- According to GI, Ireland's engagement with the RRP and the RRF is low compared with other Member States. At the time of writing, the milestones and targets stipulated in the scoreboard are 100% unfulfilled, pointing to a notable lack of implementation. It has not had any significant impact so far. In addition, Ireland's RRP presents a series of actions that were already intended by the government, but which are presented in the plan to avail of European funding. **(IE)**
- The recommendations were not really addressed by the RRP, particularly in view of its very small amount (+- EUR 90 million) compared with the + EUR 2 billion of annual investment via the budget. **(LU)**
- The RRP itself has added little value in terms of the implementation of CSRs. It contains only existing government projects. **(NL)**
- According to OCS, the RRP has not had a massive influence on the CSRs. It is not a guiding document for policy-making. It has not significantly influenced the design of the budget compared to how it would have looked otherwise. **(SE)**

**No information available for this question**

CY, EL, FI, FR, LT, PL, PT, RO, SI and SK.

**Additional comments and recommendations**

- The process needs to be more flexible and rapid change in priorities should be possible if necessary. **(CZ)**
- The RRP has increased the CSRs' visibility. **(DE)**
- According to GII, in terms of the complexity of reform initiatives, it would be important for the Commission to focus on pushing Croatia to simplify administrative procedures and to complete the legislative framework in respect of the green transition. This will eventually lead to a more balanced institutional structure in this area. GIII supports this recommendation if it excludes investments in digitisation and the Green Deal. **(HR – GII and GIII)**
- On the RRP, transparency should be improved by providing updated data at least quarterly on the implementation of the projects, the use of resources, compliance with the commitment of giving 40% of resources to the southern regions, and continuous monitoring of the application of the 30% clause regarding hiring young people, women, and people with disabilities in public contracts. **(IT)**
- The National Reform Programme (NRP) (which take into account the CSRs) should complement and be linked to the Recovery and Resilience Plan, and cohesion policy should also be linked to the NRP. Complementarity and synergies between cohesion policy and the RRP are very important for strategic development and strengthening the country's economic and social resilience. However, problems occur not only in the implementation of the RRP, but also in cohesion policy. The turmoil in both funding blocs has a political and legislative basis and the impact of non-implementation is increasingly apparent. Further delays will foster growing social and economic inequalities, which could lead to an increase in anti-EU sentiment at a time when

citizens will be responsible for choosing the direction Europe will take in the Parliament elections.  
(PL)

**Question 9:**

**Based on a multiple-choice option below, what do you consider to be the main action(s) to be taken to increase the role of social partners, civil society organisations and local and regional authorities in the implementation and monitoring of the RRP?**

List of multiple choices in order of preference:

- I. A formal, permanent and structured consultation process, in which national government works closely with authorities at all levels and in partnership with trade unions, employers, non-governmental organisations and other responsible bodies throughout the whole measure cycle consisting of preparation, implementation, monitoring and evaluation.
- II. The meetings will be convened in due time and form, and the necessary documents and information will be sent to the convened local and regional authorities, social partners and civil society representatives, allowing sufficient time for them to be studied. Minutes will be taken at the meetings and will include the proposals made by these representatives.
- III. The procedure should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process.
- IV. Regular reports on the consultation process should be published annually, transmitted to the European Commission and the national parliaments and made available to organised civil society and the general public in each Member State.
- V. For each measure, Member States will identify the relevant partners among local and regional authorities, trade unions, employers, non-governmental organisations and other responsible bodies and consult them on the process and timetable for preparing that measure.
- VI. The consultation process should be commonly defined in an EU regulation.

	1 <sup>st</sup> choice	2 <sup>nd</sup> choice	3 <sup>rd</sup> choice	4 <sup>th</sup> choice	5 <sup>th</sup> choice	6 <sup>th</sup> choice
AT	X				X	
BE	X			X	X	
BG	X		X			
CY	X		X			
CZ	X					
DE	X (GII, GIII)	X (GIII)	X (GIII)	X	X (GII, GIII)	X (GII, GIII)
DK	X					
EE	X					
EL			X (GIII)			
ES	X		X	X	X	X
FI						
FR						
HR	X		X			X
HU	X	X		X	X	
IE	X	X (GII)	X (GII, GIII)	X (GII, GIII)	X (GII, GIII)	X (GII, GIII)
IT	X			X (GIII)	X	X
LV	X					
LT		X				X

<b>LU</b>	X		X		X	
<b>NL</b>	X					
<b>PL</b>	X	X		X	X	
<b>PT</b>						
<b>RO</b>	X	X		X		
<b>SE</b>	X (GIII)	X (GI, GII)	X (GIII)			X (GIII)
<b>SI</b>	X	X			X	
<b>SK</b>	X					

<b>Additional comments and recommendations</b>						
<ul style="list-style-type: none"> <li>• Formal, continuous, and structured consultations, timely and purposeful organisation of meetings, and information sharing, as well as the involvement of relevant partners throughout the action cycle, are considered important in order to strengthen the role of social partners and civil society. <b>(AT)</b></li> <li>• Regarding the RRF, there was a formal consultation procedure, but insufficient information was given to the Belgian social partners, accompanied by a lack of transparency. They had no say in the selection of priorities/projects; this had already been decided by ministers. During the formal consultation process on the plan as a whole, we received presentations from the cabinet of State Secretary responsible with a general overview, but with limited concrete information on the content of the specific (labour market-related) projects because these are the responsibility of the minister concerned. When the consultation process on the specific (labour market-related) projects started, there was little or no room left for changes by social partners on what had already been developed by the ministerial cabinets. <b>(BE)</b></li> <li>• OCS calls for a permanent consultation of the social partners to be institutionalised in Cyprus, with the possible establishment of a Social and Economic Council too. <b>(CY)</b></li> <li>• As regards the first proposition for "a formal, permanent and structured consultation process", GI stresses that this would have to be conditional on an effective process, a willingness to reach consensus, addressing genuine priorities and representing a set number of key actors to decide on the basis of an expert assessment. Involving too many actors in a free, unorganised debate is not a solution. GII underlines that it needs to not just be a formality, but a real process based on consensus. It should not be that one of the relevant partners "dominates" on issues that they consider to be important. <b>(CZ – GI and GII)</b></li> <li>• It is important for social partners and civil society organisations to be effectively and systematically involved in preparing, implementing and monitoring the national reform plans under the European Semester, and a permanent and structured consultation process makes sense for this. <b>(DK)</b></li> <li>• The RRP's have had a positive impact, but it would have been even greater if OCS had also been involved in the consultation process for both the preparation of the NRRP and its revision. The procedure of consultation should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process. <b>(EL)</b></li> <li>• The items on the "specific body", the "regular reports" and "the meetings to be convened in due time etc" are very important features of the formal, structured and permanent consultation processes. The European regulation should be a framework regulation dealing with the basic rights and fundamental characteristics of participation processes. The concrete characteristics of the processes and the structures that host them should be developed by national rules that take into account the best experiences of national social and civil dialogues. <b>(ES)</b></li> <li>• Existing national economic and social councils should also play an important role in this process. It cannot be said that the implementation of the RRP has been the subject of a real consultation procedure. <b>(FR)</b></li> <li>• OCS calls for a formal, permanent, and structured consultation process throughout the phases of RRP cycle (including the preparation, implementation, monitoring, and evaluation phases). Local and regional authorities, trade unions, employers, NGOs, and other responsible bodies also</li> </ul>						

underlined the need for close cooperation with public authorities at all levels. In addition, OCS considers it even more important that meetings should be convened at an appropriate time, in an appropriate format and that the necessary documents and information should be sent to the invited local and regional authorities, social partners, and representatives of civil society, allowing sufficient time to study them. Therefore, the two most important aspects that can be used to improve the implementation of the RRP are the timeline and format of public consultation and the breadth and ways of involvement of civil society organisations and other interest representatives. Moreover, OCS stresses that real dialogue should be strengthened and not just reported. For this, it would be important to be constantly involved and informed, not to provide information at the last minute and to request a response at very short notice. The capacity-building and absorption capacities of civil society and its organisations need to be substantially enhanced to contribute to both planning and monitoring consultation, or to cooperate with the government in the process of public consultation. An annual report should be prepared and issued covering the contributions of various stakeholders including civil society organisations as well. **(HU)**

- As regards the proposition that "Member States will identify the relevant partners among local and regional authorities, etc.", GII believes that such a process should be subject to formal review by the Commission as it is not always the case that the government involves trade unions in EU monitoring bodies, even where it is required under EU law (e.g. the common agricultural policy monitoring committee at present). As regards the proposal that "the procedure should take place in a specific body, or in a pre-existing one, etc.", GII underlines that existing bodies could be used for this purpose, where appropriate. For example, Ireland's current tripartite Labour Employer Economic Forum could be the forum to discuss RRP and CSRs related to the labour market. In other areas, there may be a need to ensure a balanced representation of the trade unions and of civil society on bodies where government currently engages with employers only or to establish entirely new bodies, where no pre-existing bodies exist to consider relevant aspects of the RRP and CSRs. As regards the proposal on "regular reports on the consultation process", GII believes that such reports should outline how the views aired in the consultation processes were responded to. The template in Recital 26 of the Adequate Minimum Wages Directive (2022/41/EU) might offer one model for this. This encourages Member States to give the social partners the possibility to provide opinions on the setting and updating of statutory minimum wages but also to receive a reasoned response to opinions expressed. Finally, as regards the proposal on "the consultation process to be commonly defined in an EU regulation", according to GII, such regulations should also lay down appropriate consequences, including potential penalties, for not -complying with relevant provisions. According to GIII, this is in line with their call for deeper engagement by the Irish government and more substantive social dialogue involving partners representing wider society, not least communities and groups least served by the current economic model and methods of engagement. It will also be important to ensure civil society organisations are properly supported to engage in this work, in particular to develop and sustain their work with the people they work with and represent. **(IE – GII and GIII)**
- OCS underlines that for the proposals on "Formal, permanent & structured consultation process", "the timetable" and the "specific body", methods must be discussed. On the one hand, excessively rigid decision-making must be avoided; on the other, it is essential that barriers to access are not created with respect to some organisations (risk of "monopolistic" positions in civil society consultations). In any case, creating common rules, places dedicated to permanent consultation, mechanisms and guidelines to facilitate this collaborative process, both upstream and downstream of the policies, can improve and facilitate the implementation of the policies. **(IT)**
- The consultation process should be defined in an EU regulation. This should also be stipulated in national legal acts, which would not allow this important stage to be forgotten. There is not enough feedback. After consultations, information should be provided on what has been taken into account. Member States together with partners should determine the ways in which consultation should take place. **(LT)**
- A formal, permanent and structured consultation process is crucial in order to boost the implementation and monitoring of the RRP by the social partners, civil society organisations and local and regional authorities. There is a need for regular dialogue and a transparent system in which everyone is aware of and understands their role and responsibilities. **(LV)**
- Formal, permanent & structured consultation process: A proper process for this did not exist for

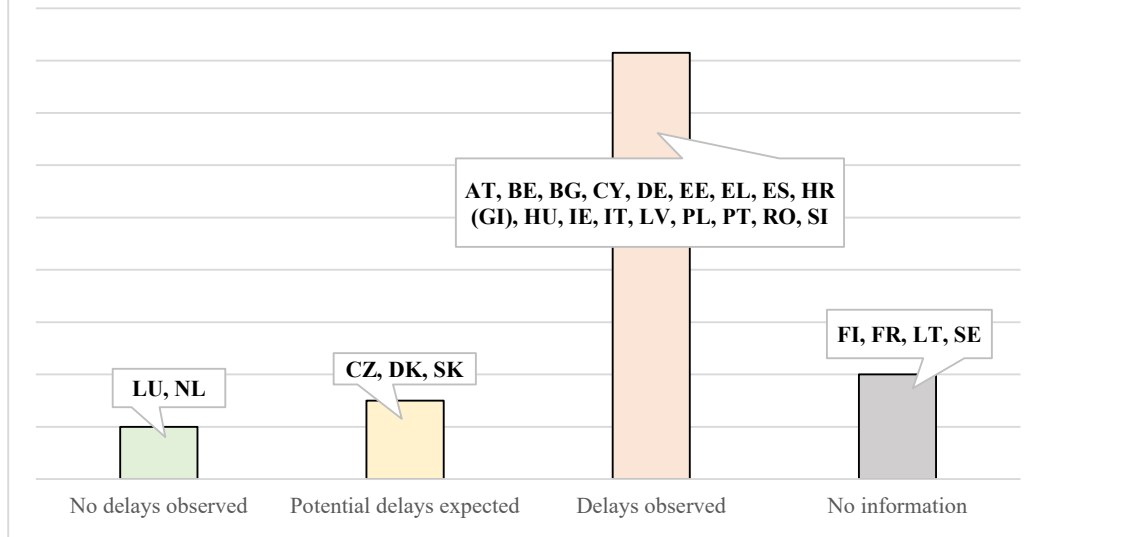
the RRP in 2021. This does not need to be legally regulated on, but mainly complied with. **(NL-GI)**

- The RRP Follow-up Committee has been set up and has so far met only once. There are also six thematic sub-committees, most of which have never met. Therefore, at this point in time there are no structured control and monitoring tools for the reforms and investments set out in the RRP. In order to strengthen the role of the social partners, civil society organisations and local and regional authorities in implementing and monitoring the RRP, a formal, permanent and structured consultation process should be put in place in which the national government works closely with authorities at all levels, in partnership with trade unions, employers, NGOs and other responsible authorities throughout the whole cycle of activities covering preparation, implementation, monitoring and assessment. **(PL)**
- According to GI, the implementation of RRP could involve using the social partners (business associations and trade unions) as agents for the implementation of funds, rather than creating new institutions (sometimes purely as a result of European pressure) which, despite the energy and capital invested in them, end up failing to have any real effect due to their artificial nature and lack of connection to society and national economies. **(PT - GI)**
- CSOs call for a formal obligation on any national managing authority to publish the centralised document with all proposals and comments received, during the period of public debate, on the applicant guide and the evaluation grid for each call for projects (regardless of the type of beneficiary), indicating in the document the entity that made each proposal/comments, and to publish in real time during the submission period, for each call for proposals (regardless of the type of beneficiary), the number of applications submitted, the total budget allocated to the call in question, the total amount of grants requested in the applications submitted, the theoretical available budget remaining, the number of days remaining until the closing date for submissions, and during the evaluation period the status of the evaluation and the deadlines for the expected completion of the evaluation. **(RO – GIII)**
- The involvement of OCS in this process must be formalised. The RRP would have had legitimacy if it had been formed together with the social partners, as it would have led to reforms and restructuring for the benefit of citizens. OCS requests to work together on the roadmap, on reporting and on achieving results for citizens. Strengthening civil society was key to finding better solutions. In addition, young people call for civil dialogue in the RRP process because they were always proactive but were not invited to take part. **(SI)**

**Question 10:**

**Have there been delays in implementing the planned investments and reforms in your country? If yes, what negative effects has this had and how can this situation be remedied?**

## Delays in implementing the planned investments and reforms



No delays observed
<ul style="list-style-type: none"> <li>No, there has been no delay in investments, as they far exceed the amount granted by the RRF. <b>(LU)</b></li> <li>OCS is not aware of any delays. The advantage of the Dutch government opting for measures for which financial cover had already been found is that they are generally implemented. <b>(NL)</b></li> </ul>
Potential delays expected
<ul style="list-style-type: none"> <li>OCS does not have sufficient information to assess the situation, but it expects considerable delays. <b>(CZ)</b></li> <li>OCS expresses concerns about potential delays. <b>(DK)</b></li> <li>Disbursement has kept up so far, but difficulties were expected with implementation. <b>(SK)</b></li> </ul>
Delays observed
<ul style="list-style-type: none"> <li>Delays in the implementation of investments and reforms have been identified, with solutions seen in more efficient consultation and implementation processes. <b>(AT)</b></li> <li>The measures taken by the government during summer 2023 are not enough given the current situation in Belgium and the outlook. This reform does not go far enough. Payments from the European Commission have been delayed. <b>(BE)</b></li> <li>OCs observes delays in the implementation of the RRP. <b>(BG)</b></li> <li>The RRP is excellent and will significantly stimulate the economy of Cyprus. But there are delays due to bureaucracy and obstructionism of the Cypriot government. The absorption of RRF funds should be stepped up because there are delays in the disbursement of the third and fourth tranches. For example, tenders for the supply of materials or works are very delayed, resulting in valuable time being lost and major projects necessary for the energy shielding of Cyprus being delayed. <b>(CY)</b></li> <li>Delays due to red tape and bottlenecks at different levels. <b>(DE)</b></li> <li>The process of approving RRP was delayed due to the change of government (where different political parties prioritised different objectives) and the implementation has also been delayed as a result. There have been delays in carrying out planned investments and reforms in Estonia, largely due to the current economic situation. This has particularly affected smaller businesses, including in the agricultural sector, where businesses face greater difficulties in financing and implementing investments. <b>(EE)</b></li> <li>The cooperation between the public and private sectors is quite problematic and leads to delays in implementing programmes. In addition, delays were observed in the implementation of the RRP in 2023, mainly due to the two elections that took place that year. <b>(EL)</b></li> <li>There are delays in the execution of investments; the central government's spending commitments and the fulfilment of the promised milestones have allowed the Commission to release the funds earmarked for Spain once compliance has reached acceptable levels. However, there are significant delays in the actual implementation levels of investment commitments, in particular for regional and local government and for enterprises. Given the pace of project implementation, the actual impact on economic activity is, for the time being, lower than projected. Regarding the reforms, regardless of the assessment of their contents, we can say that the milestones of the plan have been met, but that their implementation, in some cases, is not yet under way, or, in others, it is too early to assess their effects. <b>(ES)</b></li> <li>GI observes delays, in particular the delay in drafting by-laws in respect of approvals for solar energy infrastructure has not only slowed the implementation of green transition policies, but increased uncertainty, the costs of doing business and generally adversely affected the perceptions of the quality of the business environment in Croatia. <b>(HR - GI)</b></li> <li>Delays of around two years in the financial approval and implementation of RRP reforms represent a fundamental difficulty in implementing planned investments and reforms. <b>(HU)</b></li> <li>OCS has noted delays. Ireland is facing capacity challenges in terms of planned investment. According to GI, there are delays in one area in particular – investments in renewable infrastructure of overriding public interest. We viewed instruments such as REPowerEU – specifically the "overriding public interest" criterion stipulated in REPowerEU – as an opportunity to invest appropriately in renewable energy infrastructure. However this increasingly looks to be a missed opportunity. Solving this issue is hindered by regulatory uncertainty and complications with a prolonged planning process. <b>(IE)</b></li> <li>Delays observed are attributable to the novelty of the mechanism. Delays observed due to</li> </ul>



external shocks, due to change of government, due to low planning capacity of the public administration system, and due to low flexibility of the country's economic fabric to adapt to absorbing and putting in place substantial amounts of money in a short time. **(IT)**

- OCS stresses that the planned RRP investments are lagging behind, which has a number of negative consequences for the future growth of the Latvian economy. Changes to the RRP to carry out investments in line with the RePowerEU plan are relatively slow. Latvia's situation so far has been one of high energy dependency on fossil energy sources with a relatively limited number of suppliers. In addition, CSOs note that investments and reforms were lagging behind and the period during which the planned measures have to be carried out is becoming shorter and shorter. At the same time, the expected achievable performance indicators remain high. CSOs also underline that the conflict of interest rules that restrict parties' participation in, for example, research and science projects is one of the most prominent administrative hurdles. **(LV)**
- The very long delays in the implementation of the RRP and the lack of real public oversight over reforms and investments mean that the implementation of the recommendations on phasing-out fossil fuels and deploying renewable energy continues to be delayed. GIII has not been consulted enough on the legal pathways for Citizen Energy Communities. The RRP in Poland is a project that has been excessively delayed. Many necessary, viable but long-term projects are unlikely to be implemented under the RRP due to delays, uncertainties and overlapping policy issues. The Commission should consider the possibility of implementing RRP projects in Poland that are more long-term but will have a real impact on economic potential with a spending timeline up to 2033, e.g. the Lubiatów nuclear power plant. **(PL)**
- The delays in the financial implementation of the RRP deserve to be evaluated. The complexity of the rules means that companies are going ahead with investments in a context of uncertainty, a situation that is all the more worrying given inflation and rising interest rates (which alter the gap between the amounts projected and the amounts actually spent). Some reprogramming will be necessary to allow an adjustment to the latest conditions. **(PT)**
- OCS stresses that there have been payment delays to both private and public beneficiaries, which have caused critical cash-flow problems for them. OCS expresses concerns about the delay in launching financial instruments for the private sector, given that no such instrument under the RRP has yet actually reached SMEs. It is also considered unacceptable to delay the selection of hospitals receiving RRF funds for infrastructure works: this will mean that a large part of the amount allocated to the Health Component of the RRP cannot be spent, given that the final deadline for the receipt of applications for projects under the RRP to be settled by the RRP is 30 August 2026. **(RO)**
- Some reforms were already experiencing significant delays. For example, the planned health, pension and wage reforms in Slovenia are unfortunately being implemented late, as a result of the war with Ukraine, and the energy and climate crises. The siting of large infrastructure projects remains a problem and OCS suggested multiannual calls for investment support. Some reforms are already experiencing significant delays. **(SI)**

#### Negative effects of the delays

- The negative effects are mainly reflected in the postponement or cancellation of investments, which in turn hampers the sector's growth and innovation. **(EE)**
- There is a risk that they cannot be implemented and adequately funded within the lead time of the plan. Meanwhile, the government was only partially able to take measures to keep public debt low. Exceptionally high inflation due to supply chain disruptions resulting from the pandemic and the war in Ukraine, as well as extraordinary national measures introduced because of the energy price crisis (price cap, periodic freeze of fuel prices, introduction of interest rate cap) can also be classified as negative effects of the delay in planned investments. **(HU)**
- Further delays will result in growing social and economic inequalities, which could lead to an increase in anti-EU sentiment at a time when citizens will be responsible for choosing the direction Europe will take in the Parliament elections. **(PL)**

#### How to remedy the situation

- In order to remedy the situation, more flexible investment deadlines and counter-cyclical investments by the state would be needed. Such investments can help stabilise the economy by offsetting fluctuations in private demand. Public investments during the recession can help sustain employment and support growth, while the private sector is more cautious. **(EE)**
- According to GII, adequate institutional and administrative capacities (both on the side of

governments and the social partners) have to be built up in order to guarantee timely outflow and monitoring of funds. According to GIII, the EU bodies must provide factual information about this and there must be a commitment from national governments to raise this issue in Parliament. **(DE – GII and GIII)**

- Social partners call for a fund to be set up to make a contribution towards costs. **(IE – GI and GII)**
- Increasing the role of public-private partnerships, co-programming, and co-planning to overcome delays in implementation. **(IT)**
- According to social partners, in a small country with a limited number of professionals, situations arise in which parties are distantly related, both professionally and privately. In such cases, an excessive conflict of interest can hinder the implementation of projects and has negative economic consequences. The desire to regulate conflicts of interest and prevent abuses is understandable, but these efforts must be proportionate and cannot lead to delays in implementing RRF programmes. **(LV)**
- Reforming human resources management and the public sector wage system would have a strong impact on the people that plan and implement the measures. **(SI)**

**No information available for this question**

- FI, FR and LT.
- Lack of sufficient information, due to weak involvement. **(SE)**

**Question 11:**

**As we reach the mid-term of the implementation of the Recovery and Resilience Plans (ending in 2026) and the ongoing review of the EU's economic governance framework, what lessons have been learned that should be applied to the design, implementation and monitoring of the future medium-term fiscal-structural plans that have been proposed by the Commission?**

**To the design**

- Additional measures should be included to encourage reforms. **(BE)**
- According to GI, Member States should include realistic projects that are ready to go in the plans rather than pipe dreams, and include a smaller number of diverse, support projects. According to GII, projects need to be properly prepared. They must be based on the real needs of the Czech economy and society. **(CZ – GI and GII)**
- The public should be sufficiently informed of the objectives of the measures included. **(DE and SK)**
- To simplify and the rules on disbursement and make them more flexible. **(ES)**
- According to GIII, the two most obvious lessons are that the use of GDP as a measure/indicator should be radically reduced, in favour of other social and environmental measures of progress, and the 60% and 3% debt and deficit rules should be scrapped in favour of binding social, environmental and inclusive and equitable economic targets. Future medium-term fiscal-structural plans should be based on social, environmental and inclusive and equitable economic goals that lead to tangible improvements in living conditions, and that are aligned with the rapid decarbonisation of our economies. **(IE – GIII)**
- A longer programming period should be had to increase the scope of OCS consultation. **(SK)**

**To the implementation**

- OCS emphasises the importance of flexibility, effective consultation, and adaptability to changing conditions to optimise the implementation of the plans. **(AT)**
- According to GI, Member States should follow the initial implementation guidelines of the European Commission. **(CZ - GI)**
- To simplify and the rules on implementation and make them more flexible. To provide for urgent technical training of the public administration's staff in charge of RRP implementation. To provide SMEs with technical training for the implementation of green and digital transition investments. **(ES)**
- It is necessary to increase the extent to which project choices are shared, in the upstream process, relating to strategic choices, and downstream, in the spending processes. Greater skills and greater administrative capacity are needed, especially in places and institutions where there are

marked disadvantages, with particular attention to the south. Furthermore, a subsidiary system for managing and implementing of the plan must be implemented immediately. We need a constant and continuous open data system that allows us to promptly analyse the geolocation of projects and the timing of their implementation. **(IT)**

- In order to monitor the implementation of the plan, an annual report analysing deviations, including relating to social aspects, and proposals for corrections should be drawn up. The possible effects of implementing the plan to address social tensions should be widely discussed and in the event of emergencies (war, natural disasters, pandemics, etc.) it should be possible to quickly adjust plans to avoid exposing at-risk groups to secondary exclusion. **(PL)**
- Contractualising the implementation of the plans with local and regional authorities would make it much easier to implement the plans. Simplifying the application and, above all, reporting processes is a pressing need. Implementation must be monitored on the basis of real and quantifiable criteria, also looking at the sustainability of the investments and reforms proposed in the plan. According to GI, business associations can help with the implementation of the funds by helping companies manage the administrative complexities. We need to understand the reality of the Portuguese business fabric and use the organisations that know it best. **(PT)**

#### **To the monitoring**

- OCS thinks it is constructive to have a stricter European framework, especially through the economic governance framework, which is generally followed much more by the states than by the CSRs, or through the commitments made by the countries themselves to the RRF plans. OCS thinks that better enforcement can be combined to encourage countries to move in the right direction and implement the necessary reforms. **(BE)**
- There is a need for stricter oversight, for a more clearly defined reporting scheme to ensure that funds are effectively going where intended and reform becomes a prerequisite to receive funds. **(DK)**
- To establish random, selective, and representative ex-ante control systems. To evaluate the projects' economic and social impacts. To increase the involvement of social partners and civil society organisations. **(ES)**
- There is a need for stricter oversight, for a more clearly defined reporting system to ensure that funds are effectively going where intended and reform becomes a prerequisite to receive funds. **(DK)**
- It will be necessary to share experiences and best practices between Member States, especially by using measurable and monitored progress indicators in planning. It is necessary to examine what methods and toolboxes each Member State followed during planning, which helped implementation, which tools were used successfully and what good examples they were able to provide in their procedures for social consultation of plans. **(HU)**
- The logic of the RRP should be to provide a model for the future. A mechanism in which objectives and resources are assigned to the Member States certainly entails a certain level of "stress" for national administrations and operators, but leaves considerable room for manoeuvre to the states themselves. This is a more effective instrument than the Cohesion Fund in which unspent resources must be returned: this logic does not push the Member State to be responsible in the use of these resources. **(IT)**
- The Monitoring Committees were essential in implementing the investments. In this sense, their role should be duly recognised in future reform and investment plans. **(PT)**
- To establish stronger rules on enforcement. To develop effective measures and indicators to monitor progress towards objectives. **(SE)**

#### **For the process as a whole**

- Greater involvement of social partners at all stages of the process is essential. **(BE, CY, LV, NL, EL, PT, RO, PL, SK, SI)**
- According to GIII, there is a need for structured and timely dialogue in partnership between governments and the Commission with representatives of civil society, but for which civil society needs to have sufficient information and capacity. **(CZ – GIII)**
- According to GI, there is an urgent need for a de-bureaucratisation programme at all federal levels. If EU funds cannot flow out to this extent because the bureaucratic wheels grind too slowly, then this will become a location and investment risk for Germany. GII calls for national parliaments and social partners to be properly involved. According to GIII, public authorities at

<p>all levels need to be more transparent and to better inform the public. <b>(DE)</b></p> <ul style="list-style-type: none"> <li>• For the design, implementation and monitoring of the future medium-term fiscal-structural plans, the following aspects should be taken into account: (1) increase the capacity to rapidly respond and adapt to crises in case of changes in economic and social conditions; (2) ensure clear traceability of processes and financing; (3) channel investments towards areas that support long-term growth and social well-being, involve different stakeholders more broadly, and also ensure coordination and cooperation between Member States; (4) continue to support sustainable and innovative solutions; (5) develop effective measures and indicators to monitor progress towards objectives. <b>(EE)</b></li> <li>• The involvement of OCS in the whole processes of design, implementation, monitoring and evaluation of future medium-term budgetary-structural plans should be institutionally ensured and it must be imposed by regulation. The procedure of consultation should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process. <b>(EL)</b></li> <li>• Particular attention should be paid to the requirements of the Member States and their specific starting conditions, structural factors, etc. in order to ensure that the EU's priorities are transmitted as effectively as possible. Civil society organisations should be included in the process. <b>(HR)</b></li> <li>• A formal, permanent and structured consultation process should be put in place in which the national government works closely with authorities at all levels, in partnership with trade unions, employers, NGOs and other responsible authorities throughout the whole cycle of activities covering preparation, implementation, monitoring and assessment. Every year, all Member States should publish regular reports on the consultation process, transmit them to the European Commission and national parliaments and make them publicly available. <b>(PL)</b></li> </ul>
<b>No information available for this question</b>
BG, FI, FR and LT.

**Question 12:**

**Implementation of the reforms set out in the RRP is lagging significantly behind, particularly in comparison with investment. How can we achieve a better balance between investment and the emphasis on reforms?**

List of multiple choices in order of preference:

- I. The measures planned in our Recovery and Resilience Plan to undertake reforms are well implemented, in the same way as the measures providing for investment.
- II. There have been difficulties with the implementation of the reforms (please summarise below).
- III. Some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation in the preparation of the plans.
- IV. We believe that the implementation of the reforms has been delayed and has become more complex because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.

	1 <sup>st</sup> choice	2 <sup>nd</sup> choice	3 <sup>rd</sup> choice	4 <sup>th</sup> choice
AT			X	
BE		X		
BG		X		
CY				
CZ		X		X
DE			X (GII, GIII)	X (GI, GIII)

<b>DK</b>				X
<b>EE</b>				X
<b>EL</b>			X (GIII)	
<b>ES</b>				X
<b>FI</b>				
<b>FR</b>				
<b>HR</b>		X		
<b>HU</b>		X	X	X
<b>IE</b>		X (GIII)	X (GIII)	X (GI+GIII)
<b>IT</b>		X (GI, GIII)	X	X
<b>LV</b>			X	
<b>LT</b>				
<b>LU</b>	X			
<b>NL</b>		X		
<b>PL</b>		X	X	X
<b>PT</b>			X	
<b>RO</b>			X	
<b>SE</b>				
<b>SI</b>		X	X	
<b>SK</b>		X	X	

<b>Additional comments</b>				
<ul style="list-style-type: none"> <li>• OCS stresses that due to increased costs, supply chain disruptions, etc., adjustments to milestones have been made for individual investment projects. This was taken into account in the revision of the recovery plan, which also included a specific REPowerEU chapter. <b>(AT)</b></li> <li>• Progress with investment is on track, but problems remain around taxation and pension reform <b>(BE)</b></li> <li>• According to GIII, the implementation of the reforms has been delayed and has become more complex because of the current economic and social circumstances due to the war in Ukraine, the energy crisis and inflation. <b>(CZ – GIII)</b></li> <li>• GII criticises the interlinkage between the European Semester and the RRF because of two reasons: firstly, the European Semester is still a too. The disbursement of EU funds should not be made conditional on reform proposals that have been decided without the adequate involvement of parliaments on the national or European level, and secondly, macroeconomic conditionalities can lead to a procyclical dynamic if fiscal rules are activated again in 2024. EU funds should be earmarked for certain investment projects and the European Commission should carefully monitor the implementation of EU funds. <b>(DE – GII)</b></li> <li>• Reforms are challenging to implement and design, especially for countries which are institutionally young. When EU funding is provided, investment initiatives are much more easily carried out. <b>(HR)</b></li> <li>• OCS rates almost all the options offered as equally important. However, it is clearly stated that difficulties arose in the implementation of reforms. In their view, the implementation of reforms has also been delayed and became even more complicated by the current economic and social environment resulting from the war in Ukraine, the energy crisis and inflation. In addition, there was little consultation when discussing planned reforms. Not only crisis situations, but also the late start of the plan contribute to the difficulties in implementing reforms. The external economic environment (war, inflation, and energy crisis and the previous COVID pandemic) posed new challenges to Member States. In future, Member States need to be better prepared for external economic effects, to which an effective response can only be achieved by maintaining macroeconomic balance. <b>(HU)</b></li> </ul>				

- A future RRP, co-designed and developed through a robust, inclusive, national social dialogue process, would almost certainly deliver a much more comprehensive strategy with more linkages to social problems and to the social and economic determinants of Ireland’s greenhouse gas emissions. **(IE – GIII)**
- OCS highlights that this is a completely new reality and therefore still in the experimental phase, with complex reforms - which concern multiple administrative and institutional levels - and postponed over the years by governments of different political colours. Despite taking into account certain necessary adjustments, OCS's opinion is overall positive. **(IT)**
- Some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation in the preparation of the plan. Social and cooperation partners’ recommendations were not sufficiently taken into account when the RRP was being developed. Although the social and cooperation partners were invited to the ‘discussion’ table, the decision was taken by the responsible officials. **(LV)**
- According to OCS, reforms are long overdue. Not only because of labour shortages. They have been in the CSR policy for a long time. **(NL)**
- The necessary reforms on the labour market, housing, long-term care and the pension system are included in the RRP, but they are not translated into reality. Thematic subcommittees have been set up within the RRP follow-up committee, but, for example, the subcommittee on labour market reform has never met even though legal changes are being made in this area. Climate education is very important, as many people question the existence of climate change. Within the RRP there are concrete reforms and investments to be made which will be very difficult to implement if decision-makers and recipients of RRP funds are not convinced that the investment is in line with the ‘do no significant harm’ principle and treat it superficially. It may then turn out that RRP investments will exacerbate problems rather than solve them. **(PL)**
- A significant problem with the RRP is the low absorption capacity of organisations in Portugal, particularly given the administrative requirements – SMEs and the public administration have a shortage of qualified staff to manage this type of project. The shortage of staff resulting from emigration has further complicated this situation. **(PT)**
- The government has shown hostility towards civil society, which has negatively impacted on civil society involvement. Planned activities may be jeopardised by the failure to specify the reasons for not addressing specific challenges and by the lack of an assessment of the obstacles observed in the implementation of such measures. **(SK)**

**How to achieve a better balance between investment and the emphasis on reforms?**

- A better balance between investments and reforms requires stronger involvement of stakeholders, adjustment to the current economic and social context, and clear communication of the goals and benefits of the reforms. **(AT)**
- EU Fiscal Board and Independent Fiscal Institutions have to be reinforced. **(BG)**

**No information available for this question**

- CY, LT and SE.



## 4.1 ADDITIONAL RESPONSE TO THIS QUESTIONNAIRE FROM THE EESC LIAISON GROUP

Three civil society organisations<sup>18</sup> from the EESC Liaison Group responded to the questionnaire. The table below summarises the main recommendations from these organisations.

<b>Question 1</b>
<ul style="list-style-type: none"> <li>• There are country-specific recommendations on increasing the accessibility of higher education and the employment opportunities of graduates. However, these are very general, not targeted and have not been followed up, priorities appear to be short-sighted.</li> <li>• CSRs respond hastily to a crisis that emerged (in this case, the energy crisis) without considering reforms for long-term sustainability in the Member States.</li> <li>• For certain countries, identical solutions are proposed even if their situation is very different. Countries such as France and Spain seem to have the text tailored to their situation, while large parts of the text for countries such as Belgium, Bulgaria, Croatia, Germany, Estonia, Greece, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia are identical.</li> </ul>
<b>Question 2</b>
<ul style="list-style-type: none"> <li>• Measures often seem to be short-sighted and connected to easily implementable and, from a quantitative view, easily attainable deliverables.</li> <li>• Several recommendations are repeated year after year, which shows the lack of appropriate follow-up and meaningful/relevant tools to incentivise countries to actually implement the recommendations.</li> <li>• There are no measures in place to ensure that the reforms are systemic and are not rolled-back upon after the Commission's assessment (e.g. the higher education law reform in Slovakia is being rolled-back after it was submitted to the Commission).</li> <li>• National reform programmes and stability/convergence programmes created by Member States often propose unpopular reforms which are then blamed on the European Union.</li> <li>• failing to identify the need for competence development with regard to societal participation, democratic participation, and further challenges that decrease the chances of achieving social cohesion across the EU.</li> </ul>
<b>Question 3</b>
<ul style="list-style-type: none"> <li>• National unions of students have in most cases not been involved at all in the European Semester cycle or the national RRP.</li> <li>• There is a need for clear guidelines on how this involvement works and transparent public communication. The current regulation for the European Semester does not include any concrete provisions for participation, which leads only to symbolic measures while the RRF regulation does include requirements which nevertheless were not respected.</li> <li>• There is little space for engagement in consultations for the European Semester. The process remains opaque, and it becomes clear from the vagueness in some country reports or some countries' CSRs that insufficient data was gathered, which can be correlated with there being insufficient space for consultation for civil society.</li> </ul>
<b>Question 4</b>
<ul style="list-style-type: none"> <li>• Making the debt rules more flexible is a step in the right direction, but this might still not be enough at this point. The arbitrary SGP rules of 60% debt and 3% deficit have been maintained, with Member States still obliged to base their actions on them, irrespective of scenarios which are not deemed "exceptional".</li> <li>• Without meaningfully considering to exclude some public investments from debt sustainability calculations, Member States will continue to be prevented to invest in crucial sectors such as education and training. Investment in this sector should benefit from a golden rule.</li> </ul>
<b>Question 5</b>
<ul style="list-style-type: none"> <li>• No. We feel that education does not play a prominent role in the structuring and reassessment of the European Semester and RRF.</li> <li>• Stakeholders in certain policy fields, such as education and training, are excluded from</li> </ul>

<sup>18</sup> [European Students' Union](#), [Lifelong Learning Platform](#), and [Eurochild](#).



<p>assumptions that the fiscal framework is not connected with specific policy fields.</p> <ul style="list-style-type: none"> <li>• Eurochild has participated in several consultations on the 2023 Spring Package of the European Semester organised by the European Commission and Social Platform. However, there is weaker capacity and opportunities for consultation at national level.</li> </ul>
<b>Question 6</b>
<ul style="list-style-type: none"> <li>• Increasing the flexibility for fiscal adjustment is welcomed provided that there is a clear and rigorous taxonomy of what is included in the green/social investments and that they are rigorously followed by the Member States.</li> <li>• Yes, this contributes to more ownership for Member States on their recovery, and provides tangible actions which can not only encourage reforms and investments for ensuring fiscal stability but also help find ways to effectively achieve over-due reforms and investments.</li> <li>• Without civil society on board, it is hard to see how Member States will be able to implement top-down plans. The European Commission must not only monitor how the plans' targets have been met, but also how the different national stakeholders were involved at all stages of the plans (drafting, implementation, evaluation).</li> </ul>
<b>Question 7</b>
<ul style="list-style-type: none"> <li>• The way the rules are framed, and based on the latest set of CSRs, the flexibility is likely to increase, but not enough to allow Member States to fully promote the required reforms.</li> </ul>
<b>Question 8</b>
<ul style="list-style-type: none"> <li>• The calendar for providing feedback on the CSRs and on the national RRP's has in fact limited the amount of opportunities for civil society to provide meaningful input.</li> </ul>
<b>Question 9</b>
<p><u>Raking of the suggested actions</u></p> <ol style="list-style-type: none"> <li>I. A formal, permanent and structured consultation process, in which national government works closely with authorities at all levels and in partnership with trade unions, employers, non-governmental organisations and other responsible bodies throughout the whole action cycle, consisting of preparation, implementation, monitoring and evaluation;</li> <li>II. Regular reports on the consultation process should be published annually, transmitted to the European Commission and the national parliaments and made available to organised civil society and the general public in each Member State;</li> <li>III. Regular reports on the consultation process should be published annually, transmitted to the EC and the national parliaments and made available to organised civil society and the general public in each Member State;</li> <li>IV. The meetings will be convened in due time and form, and the necessary documents and information will be sent to the relevant local and regional authorities, social partners and civil society representatives, allowing sufficient time for them to be studied. Minutes will be taken at the meetings and will include the proposals made by these representatives; This consultation process should be commonly defined in an EU regulation.</li> <li>V. The procedure should take place in a specific body, or in a pre-existing one to which such functions are legally attributed. Existing national economic and social councils should also play a relevant role in this process;</li> <li>VI. For each measure, Member States will identify the relevant partners among local and regional authorities, trade unions, employers, non-governmental organisations and other responsible bodies, and consult them on the process and timetable for preparing of that measure.</li> </ol> <ul style="list-style-type: none"> <li>• All the proposed measures would enhance stakeholder involvement and ensure a systematic policy dialogue based both on representativeness and knowledge.</li> <li>• A formal, permanent and structured process would ensure proper and meaningful participation. It will add transparency and accountability.</li> </ul>
<b>Question 10</b>
<ul style="list-style-type: none"> <li>• Yes, for example due to changes in the political make-up of governments as well as the initial plan having been too general.</li> </ul>
<b>Question 11</b>
<ul style="list-style-type: none"> <li>• Stakeholder involvement should already start in the design process and encompass implementation and monitoring. More rigorous rules should be implemented and followed-up.</li> <li>• The existing targets and indicators used for the Country Reports in the European Semester need to be addressed. Just considering the education and training sector, the quantitative data selected does not provide actionable points on reforms to address the main challenges identified.</li> </ul>

### Question 12

#### Ranking of the common observations:

- I. Some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation in the preparation of the plan.
- II. We believe that the implementation of the reforms has been delayed and has become more complex because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.
- III. There have been difficulties with implementing the reforms (please summarise below).
  - Some of the planned reforms have raised serious concerns in the political debate and public opinion, as they were planned with very little (or no) proper consultation in the preparation of the plan. Among the reasons for these complaints are the very short timeframes for public debates as well as proper stakeholder consultations, and the objectives in the national plans not being scrutinised beforehand by civil society.
  - We believe that the implementation of the reforms has been delayed and has become more complex because of the current economic and social context due to the war in Ukraine, the energy crisis and inflation.

## 6. COMPOSITION OF THE 26 ESG DELEGATIONS

	<b>GROUP I</b>	<b>GROUP II</b>	<b>GROUP III</b>
<b>Austrian ESG delegation</b>	RÜBIG, Paul	VORBACH, Judith	KOLBE Rudolf
<b>Belgian ESG delegation</b>	ROBYNS DE SCHNEIDAUER Wautier	WYCKMANS Ferdinand	DECOSTER Marc
<b>Bulgarian ESG delegation</b>	STOEV Georgi	MANOLOV Dimitar	INDJOVA Diana
<b>Croatian ESG delegation</b>	MARTINOVIĆ DŽAMONJA Dragica	HANŽEVAČKI Marija	MARIJON Svjetlana
<b>Cypriot ESG delegation</b>	ANTONIOU Michalis	MATSAS Andreas	YIAPANIS Anastasis
<b>Czech ESG delegation</b>	SVENTEK David	STUDNIČNÁ Lucie	BRZOBOHATÁ Zuzana
<b>Danish ESG delegation</b>	MIBLBECK-WINBERG Christiane	ANDERSEN Dorthe	KINDBERG, Mette
<b>Estonian ESG delegation</b>	SÕBER Kristi	VIIES, Mare	ATS Kerli
<b>Finnish ESG delegation</b>	WOOD Päivi Elina	PENTTINEN Markus	KIUKAS Vertti
<b>French ESG delegation</b>	BOLLON Pierre	YILDIRIM Ozlem	LIBAERT Thierry
<b>German ESG delegation</b>	GERSTEIN Antje Sabine	SCHMIDT Peter	SCHLÜTER Bernd
<b>Greek ESG delegation</b>	VERNICOS George	TZOTZE-LANARA Zoe	IOANNIDIS Athanasios
<b>Hungarian ESG delegation</b>	EDELÉNYI András	FELSZEGHI Sára	KÜKEDI Zsolt
<b>Irish ESG delegation</b>	WALKER Neil	O'CONNOR Jack	LOHAN Cillian
<b>Italian ESG delegation</b>	REALE Maurizio	DEL RIO Cinzia	JAHIER Luca
<b>Latvian ESG delegation</b>	ZARIŅA Katrīna	ROMELE Linda	GOBIŅŠ Andris
<b>Lithuanian ESG delegation</b>	MORKIS Gintaras	KRUPAVIČIENĖ Kristina	JUODKAITĖ Dovilė
<b>Luxembourgish ESG delegation</b>	/ <sup>19</sup>	WAGENER, Marco	/ <sup>19</sup>
<b>Polish ESG delegation</b>	OSTROWSKI Krzysztof	ZIELENIECKI Marcin Antoni	OCHĘDZAN Justyna Kalina

<sup>19</sup> No EESC member was available. Mr Wagner therefore consulted the Economic and Social Council of the Grand Duchy of Luxembourg for this exercise. This council represents organised civil society as a whole in Luxembourg.

	<b>GROUP I</b>	<b>GROUP II</b>	<b>GROUP III</b>
<b>Portuguese ESG delegation</b>	LOBO XAVIER Gonçalo	SIMÔES DA SILVA Carlos Manuel	DE CASTRO NABAIS DOS SANTOS João Diogo
<b>Romanian ESG delegation</b>	PLOSCEANU, Aurel Laurențiu	DANDEA, Petru Sorin	CALISTRU, Elena- Alexandra
<b>Slovak ESG delegation</b>	HOŠTÁK Martin	HAJNOŠ Miroslav	SIPKO Juraj
<b>Slovenian ESG delegation</b>	SMOLE Jože	POČIVAVŠEK Jakob Krištof	RAVNIK Branko
<b>Spanish ESG delegation</b>	SALAFRANCA SANCHEZ-NEYRA José Ignacio	DOZ ORRIT Javier	CABRA DE LUNA Miguel Ángel
<b>Swedish ESG delegation</b>	ANDERSSON Krister	JOHANSSON Benny	ROBERT Ariane
<b>The Netherlands ESG delegation</b>	MESKER August	PLAT Jacob	DIRX Jan

## 7. LIST OF ABBREVIATIONS

<b>CSOs</b>	Civil Society Organisations
<b>CSRs</b>	Country-specific recommendations
<b>EESC</b>	European Economic and Social Council
<b>EC</b>	European Commission
<b>EP</b>	European Parliament
<b>EPRS</b>	European Pillar of Social Rights
<b>(N)ESC</b>	(National) Economic and Social Council
<b>ESG</b>	European Semester Group (of the EESC)
<b>GI/II/III</b>	EESC Groups: Group I (Employers) – Group II (Workers) – Group III (Civil society Organisations)
<b>MTFSP</b>	Mid-Term Fiscal-Structural Plan
<b>NGEU</b>	NextGenerationEU (fund)
<b>NGOs</b>	Non-governmental Organisations
<b>(N)RRPs</b>	(national) Recovery and Resilience Plans (designed in the framework of the RRF)
<b>NRPs</b>	National Reform Programmes (designed in the framework of the European Semester)
<b>OCS</b>	Organised Civil Society (social partners and civil society organisations)
<b>RRF</b>	Recovery and Resilience Facility

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