



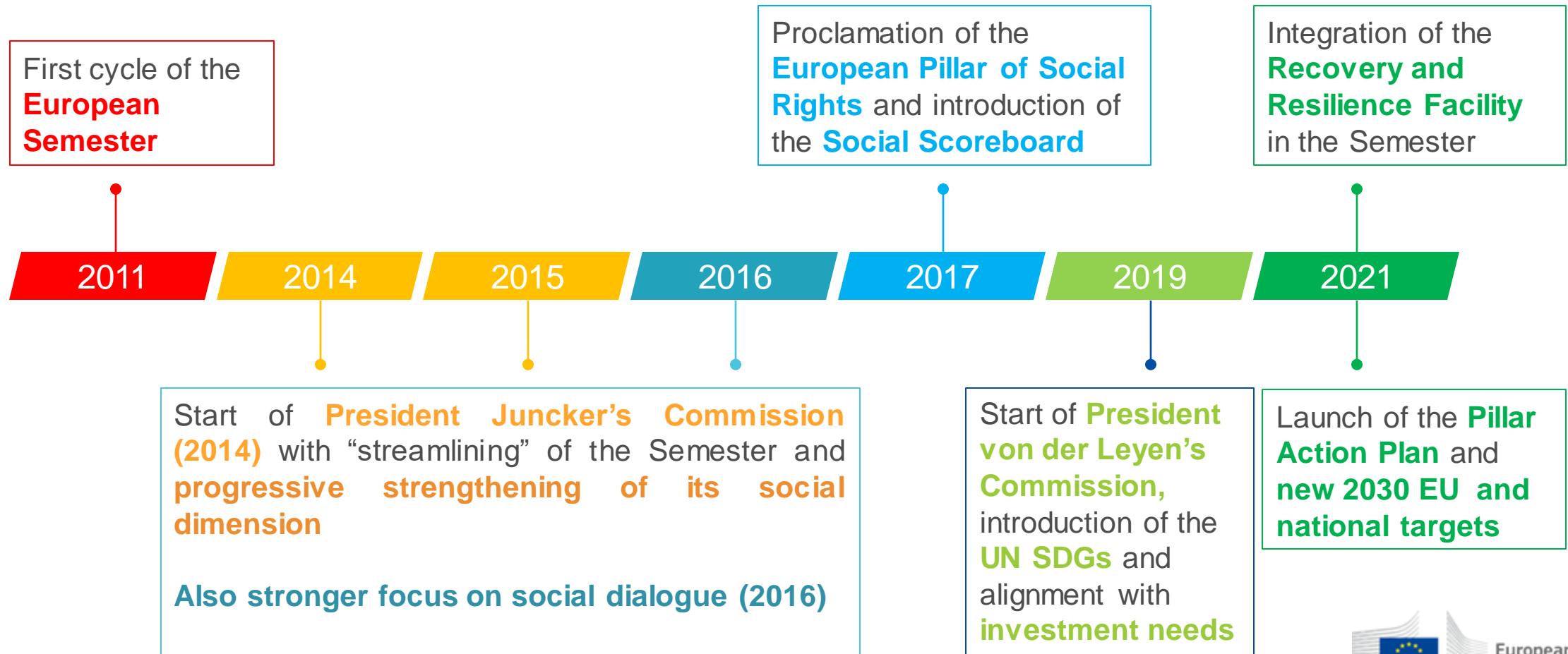
# The European Semester from a social perspective

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# The evolution of the European Semester



# The 2024 European Semester cycle

- The adoption of the Autumn Package officially kick-started the **2024 European Semester cycle**
- **Country reports** and proposals for **country-specific recommendations** in Spring 2024 will:
  - **Identify structural and emerging challenges** of Member States;
  - **Assess the ongoing implementation with the national Recovery and Resilience Plans;**
  - **Provide guidance** in view of the **mid-term review of cohesion policy programmes;**
  - Explore synergies and complementarities btw measures in the RRP's and other EU funding instruments in reaching common policy goals.

# ASGS 2024: competitive sustainability

## Fairness

- The **EU labour market continues to perform strongly** despite **slower economic growth**. Regional disparities persist. High levels of **labour and skills shortages** are a major bottleneck.
- **Wage increases** remained below **inflation** and resulted in **reduced purchasing power**. The need for adequate and **sustainable social protection and inclusion policies** remains high.
- **Cohesion policy funds** and **RRPs**, support MSs in progressing towards their **2030 national targets**.
- Continued implementation of the **European Pillar of Social Rights** remains a policy priority to promote upward social convergence in the EU.

## Productivity

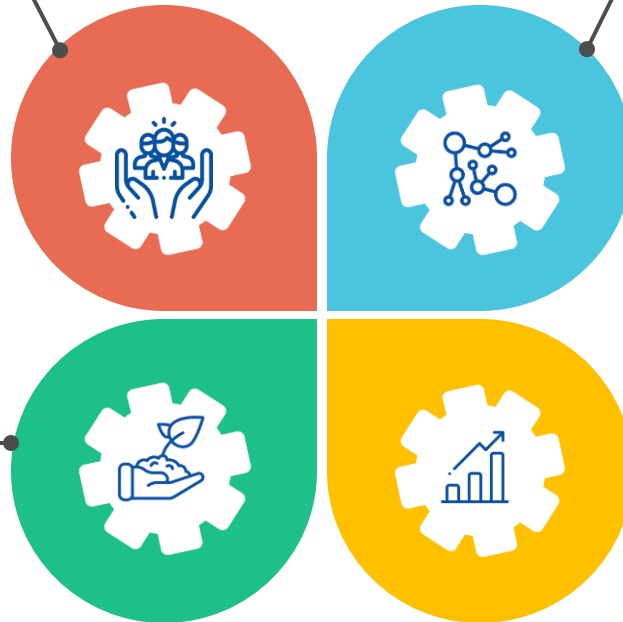
- **Average productivity growth** in the EU has **stagnated** over the last decade.
- **Boosting productivity** hinges on improving the framework conditions and **deepening the single market**.
- Fostering a **fair and SME-friendly business environment** is key to strengthening the single market.
- The **EU's growth path** relies heavily on the uptake of **digitalisation**.
- **Synergies between the RRF and cohesion policy funding** are essential for delivering support at regional level.

## Environmental sustainability

- EU and MSs' actions helped bring **energy prices closer to pre-crisis levels**, while investments in **clean energy sources** help **stabilise the future supply**.
- MSs are focusing their efforts on **implementing the REPowerEU chapters** of the RRP, complemented by **cohesion policy funds**.
- The **updated national energy and climate plans** need to be fully developed and swiftly implemented.
- **Strengthening the EU net zero industry** is essential for providing the technologies and components needed to deliver on the **European Green Deal** and for Europe's industry to remain competitive.

## Macroeconomic stability

- **EU economy remains resilient despite a slowdown** and risks related to **high debt** and **price divergences** remain relevant.
- The **general escape clause expires** at the end of 2023. Fiscal policy needs to **support monetary policy in reducing inflation** and **safeguard fiscal sustainability**, while providing sufficient space for additional investments and supporting long-term growth.
- **Fiscal emergency measures** taken to respond to the energy price shock **should be wound down** as soon as possible.



# Joint Employment Report 2024

- Mandated by Art. 148 TFEU to monitor the **implementation of the Employment Guidelines**
  - Key employment and social developments in the EU and in Member States
  - Priority areas for employment, skills and social policy action
- **Maintaining:**
  - **Stronger focus on Pillar implementation**, notably via Thematic Boxes on topical Pillar-related challenges
  - **Monitoring of 2030 EU targets** on employment rate (78%), skills (60% of adults in learning every year) and poverty reduction (at least 15m fewer in AROPE)
- **Novelties** of the 2024 edition:
  - **Monitoring of national targets** on jobs, skills and poverty reduction by 2030
  - **First-stage country analysis** based on the Social Scoreboard **in line with the principles of the Social Convergence Framework (SCF)**

# JER 2024: social protection

- Social protection systems have a key role in supporting **socio-economic resilience** (see COVID crisis, and high energy and cost of living context)
- Need to **support and strengthen adequacy and fiscal sustainability** in the light of:
  - population ageing,
  - changing world of work,
  - green and digital transitions.
- In particular, on **long-term care services**:
  - Challenges to be addressed concerning **quality, affordability and access**;
  - Significant **labour and skills shortages** in the care sector;
  - Need to **improve working conditions** to retain staff and attract workers;
  - Service provision needed also to **support the labour market participation of women**.

# Governance developments related to the social dimension of the Semester

