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From: The Employment Committee and the Social Protection Committee
To: Permanent Representatives Committee/Council

Subject: Assessment of the Social Convergence Framework as implemented on a pilot basis in the 2024 European Semester cycle
- Presentation by the Chairs of the Employment Committee and the Social Protection Committee

Delegations will find attached the note on the assessment of the Social Convergence Framework as implemented on a pilot basis in the 2024 European Semester cycle, as prepared by the Employment Committee and the Social Protection Committee at their joint meeting on 14 November 2024.



The Employment Committee The Social Protection Committee

14 November 2024

Assessment of the Social Convergence Framework as implemented on a pilot basis in the 2024 European Semester cycle

Note for the attention of the EPSCO Ministers

1. Introduction

Between September and November 2024, the Employment Committee (EMCO) and the Social Protection Committee (SPC) conducted an assessment of the first-ever implementation of the Social Convergence Framework, which was introduced on a pilot basis by the Commission in the 2024 European Semester cycle. This assessment followed the invitation in the *Council Conclusions on the 2024 Annual Sustainable Growth Survey and the Joint Employment Report* of 11 March, which invited EMCO and SPC to assess its impact, including its value added and potential administrative burden on their activities and on the 2024 European Semester cycle, and inform the Council.¹

¹ [Council Conclusions on the 2024 Annual Sustainable Growth Survey and the Joint Employment Report](#), approved by the Council (EPSCO) on 11 March 2024.

The Social Convergence Framework was carried out on the basis of the technical work of the dedicated EMCO-SPC Working Group that studied its possible design and methodology between September 2022 and May 2023, which was implemented in the pilot.² Overall, such design consists of a two-stage analysis conducted by the Commission to assess risks and challenges to upward social convergence in Member States, with findings feeding into the multilateral surveillance activities of EMCO and SPC to build a shared understanding of the state of social convergence in the Union and inform the Council accordingly.

Parallel to the 2024 Semester cycle, after the EU Economic Governance Review, the Council and the European Parliament agreed to include “a framework to identify risks to social convergence” in the new Regulation 2024/1263 among the tools at the disposal of the Commission to monitor the Employment Guidelines and the European Pillar of Social Rights.³ During the assessment exercise of the pilot, the Commission expressed its intention to operationalise this provision by implementing the Social Convergence Framework in future Semester cycles as well, while taking into account possible adjustments to its technical and structural features discussed with EMCO and SPC.

² See the [EMCO-SPC Key Messages on the introduction of a Social Convergence Framework in the European Semester](#) and the related [Report of the EMCO-SPC Working Group](#). The features of the Social Convergence Framework were discussed within the Working Group between September 2022 and May 2023. The Working Group was based on a voluntary participation of delegations and composed of 21 Member States (BE, CZ, DE, EE, EL, ES, FI, FR, HR, HU, IE, IT, LU, LT, LV, MT, NL, PL, PT, SI, SK) and the Commission. EMCO and SPC endorsed Key Messages which were presented to the EPSCO Council meeting of 12 June 2023 based on the work conducted by the aforementioned Working Group.

³ See Art. 3(3), point (b), of [Regulation \(EU\) 2024/1263](#) of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97. Furthermore, Recital 8 states that “*as part of its integrated analysis of employment and social developments in the context of the European Semester, the Commission assesses risks to upward social convergence in Member States and monitors progress on the implementation of the principles of the European Pillar of Social Rights on the basis of the Social Scoreboard and of the principles of the Social Convergence Framework*”.

2. First-stage analysis (November 2023 – March 2024)

The first-stage analysis of the Social Convergence Framework added a new country-specific dimension to the Joint Employment Report (JER) to identify potential risks to upward social convergence in the Member States.⁴ This was implemented by adding new country fiches based on the reading of the headline indicators of the Social Scoreboard. Member States were flagged for potential risks if at least 6 out of 16 indicators resulted in ‘*to watch*’ or ‘*critical*’ situations according to the established traffic-light methodology applied to the Social Scoreboard in the JER, with a double counting in case of negative trends over two consecutive years.⁵

This first-stage analysis complemented the monitoring of the Employment Guidelines with a country-specific focus with the aim to capture risks to social convergence across the EU with a view to implementing the principles of the European Pillar of Social Rights; still, some Member States doubt the extent to which it concretely added depth to the traditional content of the Joint Employment Report. While the methodology was developed in the EMCO-SPC Working Group, including to better identify trends, there are still some doubts regarding its ability to comprehensively capture risks to social convergence due to the timeliness of certain social indicators and the absence of some relevant policy areas in the Social Scoreboard. Since the analysis was conducted by the Commission, it did not impose any administrative burden on Member States.

⁴ The [2024 Joint Employment Report](#) was adopted by the Commission on 21 November 2023 and - following its finalisation by EMCO and SPC - also by the Council on 11 March 2024.

⁵ In line with the technical compromise reached in the EMCO-SPC Working Group that studied the design of the Social Convergence Framework between 2022 and 2023 (see footnote 2), for the purposes of the first-stage analysis the JER methodology was accompanied by an additional criterion aimed at giving more weight to trends over time. Whenever an indicator showed a deterioration in its JER categorisation over two subsequent years – for example from ‘on average’ in year *t* to ‘to watch’ in year *t*+1 and ‘critical’ in year *t*+2 – the indicator was counted twice.

Going forward, the methodology should take into account future revisions of the Social Scoreboard, including new indicators where relevant, as well as regular assessments by EMCO and SPC and their indicators subgroups to improve the timely and effective detection of risks to social convergence. In this context, *ad hoc* discussions on how to interpret certain indicators currently included in the Social Scoreboard to draw policy considerations would increase the ownership of the analysis by the Member States, notably in selective cases where there is a need to account for some existing technical limitations.

3. Second-stage analysis (April – May 2024)

The second-stage analysis was meant to provide a deeper examination of the Member States flagged in the first stage.⁶ The Commission conducted this analysis using a broader set of quantitative and qualitative evidence⁷ to evaluate challenges to upward social convergence and their key determinants. For each of the Member States identified, the focus was exclusively on the policy areas that had been considered as presenting potential risks during the first stage. For some of the seven Member States identified in 2024, the second-stage analysis allowed the Commission to confirm that the risks identified in the first stage constituted overall challenges, while for others such deeper analysis allowed to dispel such risks.⁸ The analysis contributed to the 2024 European Semester Spring Package, with the key findings for the seven Member States reflected in their 2024 Country Reports and informing the Commission’s proposals for Country-Specific Recommendations (CSRs) where appropriate.

⁶ The second-stage analysis of the seven Member States identified 2024 was published in the form of a [Commission Staff Working Document \(SWD\)](#) on 6 May 2024. The seven Member States identified in 2024 were consulted on advanced copies of the analysis on 9 April.

⁷ This included in particular all the indicators that have been agreed so far with Member States as part of the Joint Assessment Framework (JAF) developed by EMCO and SPC. Progress on the 2030 national targets on employment, skills and poverty reduction was also considered.

⁸ Depending on i.) the extent of individual challenges revealed by the further evidence gathered for each of the policy areas examined; and ii.) the assessment of the policy responses being implemented or planned by the Member State and whether these were considered sufficient to address the challenges identified.

Compared to past European Semester cycles, the second-stage analysis aimed at providing a stronger basis for exploring social convergence trends, notably within the multilateral surveillance activities of EMCO and SPC. Similarly to the first stage, the Commission has aimed to minimise the administrative burden faced by the Member States. In 2024, the Commission conducted the analysis and the seven Member States concerned were invited to fact-check an advanced draft of the analysis. Yet, more time would have been needed by the Member States concerned between the publication of the second-stage analysis and its review in the Committees in order to enhance the shared ownership of the analysis. Overall, the second stage was most valuable from a multilateral perspective, as it informed Member States about the severity and interconnections of the challenges faced by some of their peers. In order to add value, the second-stage analysis should remain comprehensive, multidimensional, and cover the priorities outlined in the CSRs issued to the country. Despite the additional analytical focus brought by the new Commission's Staff Working Document, it was not always clear the extent to which the second-stage analysis helped refine the policy guidance formulated in the proposals for CSRs and the related Country Reports published later in the Semester cycle, given the targeted approach applied.

Looking ahead, an earlier publication of the Commission's Staff Working Document and deeper dialogue between the Commission services and the Member States concerned would significantly contribute to reaching the objectives of the second-stage analysis. To differentiate it from other Semester documents, the analysis of the determinants of policy challenges should better include longer-term trends as well as cross-sectoral and regional considerations. Given the annual nature of the document, it is important that the descriptive elements of the analysis relies on the latest data available (including monthly data) and focus on relevant updates, notably the results of policy implementation, especially when a Member State is analysed in the second stage over consecutive years.

4. Multilateral surveillance (May 2024)

The challenges to upward social convergence identified by the Commission in the second-stage analysis were discussed as part of the traditional annual multilateral surveillance activities of EMCO and SPC.⁹ During the 2024 surveillance cycle, each of the seven Member States analysed was discussed only once by using a 'country-based approach', namely via a single country review focused on the challenges highlighted by both the 2023 CSRs and the second-stage analysis of the Social Convergence Framework. In this context, the latter provided the contextual analysis to understand more broadly adverse risks and challenges in the Member States beyond the specific issues mentioned in the recommendations.

This approach allowed the Member States in the second-stage analysis to prepare for one albeit very comprehensive review¹⁰, **also in terms of reporting requirements; nevertheless, the need to present information on several policy issues and consult numerous national policy experts led to the Member States concerned to report experiencing administrative burden, including significant coordination required at the national level.** In contrast, Member States not flagged by the Social Convergence Framework did not experience significant differences in this respect. Regarding the actual discussion of challenges, compared to a traditional review based on the implementation of individual CSRs, the higher number of policy issues limited the time available for a comprehensive multilateral discussion.

⁹ Such integration was first discussed in mid-February, when the Committees agreed to use the criteria identified by the EMCO-SPC Working Group in 2023 to ensure that the overall number of multilateral surveillance reviews would not increase.

¹⁰ Adopting a “country-based” approach implies that each Member State is discussed only once, in a single comprehensive review on the overall challenges identified, rather than multiple times on each Country-Specific Recommendation received. In 2024, in addition to the reviews organised jointly by EMCO and SPC on the seven Member States in the second stage, the approach was tested also in the regular reviews carried out by SPC on the remaining Member States that received only 2023 CSRs and were not flagged by the Social Convergence Framework.

While an enhanced cooperation across policy fields at national level was seen by some Member States beneficial in the longer term, the intense preparation required in 2024 suggests that there is room for improving the organisation and effectiveness of the reviews. In particular, as the administrative burden was bigger for those Member States having to report also on the implementation of numerous CSRs within a single review, reflections are needed on the possible trade-off between the intensity and frequency of the reviews within the annual multilateral surveillance activities of the Committees. Beyond organisational aspects, an earlier publication of the Commission's Staff Working Document containing the second-stage analysis would also allow Member States to have more time to prepare for the reviews.

5. Political visibility of the findings (June – July 2024)

On the basis of the reviews, at the end of the 2024 European Semester cycle, EMCO and SPC agreed on horizontal and country-specific findings, which were communicated to the Council to inform the Ministers in the EPSCO filière on the state of social convergence in the Union.

The horizontal findings were first presented via a dedicated EMCO-SPC *Opinion on social convergence in the Union* in June, and then integrated in the traditional annual *Horizontal Opinion on the European Semester cycle* endorsed by the Council last July, which also contained an annex with the country-specific findings.¹¹

¹¹ The horizontal conclusions were initially presented to the Ministers via a dedicated [EMCO-SPC Opinion on social convergence in the Union](#) on 20 June 2024. They were then integrated into the annual [EMCO-SPC Opinion on the 2024 cycle of the European Semester](#), which was endorsed by the Council (EPSCO) on 16 July 2024. The country-specific findings were included in the latter document as [Annex 3](#).

The Council received regular updates on the pilot implementation of the Social Convergence Framework by the EMCO and SPC Chairs and ultimately endorsed its horizontal findings in July, but the Ministers in the EPSCO filière did not hold a dedicated political debate. In the pilot stage, there was no consensus in the Council to formulate political conclusions, beyond the endorsement of its technical findings via the annual Horizontal Opinion provided by EMCO and SPC on the European Semester. In 2024, its pilot nature, the novelty represented by the second-stage analysis, and the absence of a dedicated political debate limited the clarity of the impact of the Framework on the European Semester, as well as the possibility to convey concise political messages to stakeholders. Beyond the pilot stage, further reflections on how to enhance the visibility could be considered.

6. Conclusions

The pilot implementation of the Social Convergence Framework in the 2024 European Semester was aimed at a more structured monitoring of social convergence trends across the Union in line with the principles of the European Pillar of Social Rights, but differences persist in the Committees on the extent to which this was achieved, including in terms of its value added. Adequate refinements of the two-stage analysis could provide deeper insights, at EU level, of the factors behind the short- and long-term performances of Member States in the employment, skills, and social policy fields, thus enhancing both the analytical nature and the multilateral dimension of the European Semester and improving the relevance of the related policy guidance at the EU level. While some Member States saw the benefits of the Social Convergence Framework as implemented in the 2024 cycle, some others have doubts on the value added and ultimate purpose of the Framework compared to previous practices.

In 2024, the Framework was implemented as a pilot without imposing significant administrative burden during its first and second stages. However, it did introduce some burdens associated with the preparation and participation of the seven Member States identified as facing risks to upward social convergence in the multilateral surveillance activities of EMCO and SPC. For the Member States involved, discussing the second-stage analysis and reporting also on the implementation of relevant CSRs led to significant preparation efforts. On the other hand, some Member States believe that the additional administrative burden should be assessed in relation to the impact of a deterioration of the social situation that the Framework is intended to help prevent. Overall, the evaluation of the pilot suggests that there is scope to improve this setting to ensure that the Framework can be implemented effectively in future cycles and to enhance its value added *vis-à-vis* possible administrative demands. Concerning the political visibility of the Framework, while some Member States argue that Council Conclusions may - by acknowledging findings under the Social Convergence Framework - increase the political visibility of the social dimension in the European Semester and contribute to improving employment and social outcomes at national and EU level, others believe that the findings of the Framework can be transmitted to the Council via the annual Horizontal Opinion on the European Semester.

In line with the above, to fully exploit the potential of the Social Convergence Framework including in terms of value added, the Commission – with the active involvement of EMCO and SPC – should consider implementing possible adjustments, also in light of its intention to use the Framework to operationalise Art. 3(3)(b) of Regulation 2024/1263. In the short term, an earlier publication of the Commission’s Staff Working Document and a deeper multidimensional analysis on the determinants of risks and trends, along with enhanced dialogue with the Member States concerned, would strengthen the potential joint ownership of the second-stage analysis, contribute to improving the preparation for the multilateral surveillance reviews, and support the identification of specific challenges that could be addressed through CSRs. In the longer term, reviewing the methodology of the first-stage analysis and addressing shortcomings of the current Social Scoreboard can improve the early identification of risks and enhance the ownership by the Member States, thus fostering a more shared understanding and a greater political visibility of upward social convergence. Finally, it should be noted that the assessment was conducted shortly after the pilot, which made it difficult to fully assess the Framework, particularly its value added and administrative burden, and to discuss proposals for adjustments. For this purpose, it may be appropriate to conduct a stocktaking exercise after a few years of implementation.
