



Plenary sitting

A9-0262/2021

3.9.2021

REPORT

on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2021)0282 – C9-0205/2021 – 2021/0137(NLE))

Committee on Employment and Social Affairs

Rapporteur: Lucia Ďuriš Nicholsonová

(Simplified procedure – Rule 52(2) of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision on guidelines for the employment policies of the Member States
(COM(2021)0282 – C9-0205/2021 – 2021/0137(NLE))**

(Consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2021)0282),
 - having regard to Article 148(2) of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C9-0205/2021),
 - having regard to Rule 82 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A9-0262/2021),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, in accordance with Article 293(2) of the Treaty on the Functioning of the European Union;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to substantially amend the Commission proposal;
 5. Instructs its President to forward its position to the Council and the Commission.

Amendment 1

Proposal for a decision Recital 2

Text proposed by the Commission

(2) The Union is to combat social exclusion and discrimination and promote social justice and protection, as well as equality between women and men, solidarity between generations and the protection of the rights of the child. In defining and implementing its policies and activities, the Union is to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against poverty and social exclusion, a high level of education and training and protection of human health as laid down in Article 9 of the Treaty on the Functioning of the European Union (TFEU).

Amendment

(2) The Union is to combat social exclusion and discrimination and promote social justice and protection, as well as equality between women and men, solidarity between generations and the protection of the rights of the child. In defining and implementing its policies and activities, the Union is to take into account requirements linked to the promotion of ***inclusive labour markets, a high level of employment, collective bargaining, decent wages***, the guarantee of adequate social protection, the fight against poverty and social exclusion, ***with a special emphasis on vulnerable groups, namely children, persons with disabilities, single parents, ethnic minorities, such as Roma people, LGBTIQ+ people, people living in remote areas and older people***, a high level of education and training and protection of human health as laid down in ***Article 3 of the Treaty on European Union (TEU) and Article 9 of the Treaty on the Functioning of the European Union (TFEU)***.

Amendment 2

Proposal for a decision Recital 5

Text proposed by the Commission

(5) The European Semester combines the different instruments in an overarching framework for integrated multilateral coordination and surveillance of economic ***and*** employment policies. While pursuing environmental sustainability, productivity,

Amendment

(5) The European Semester combines the different instruments in an overarching framework for integrated multilateral coordination and surveillance of economic, employment, ***social and environmental*** policies. While pursuing environmental

fairness and stability, the European Semester **integrates** the principles of the European Pillar of Social Rights, and its monitoring tool, the Social Scoreboard, and it foresees strong engagement with social partners, civil society and other stakeholders. It supports the delivery of the Sustainable Development Goals. The Union's and Member States' employment and economic policies should go hand in hand with Europe's transition to a climate neutral, environmentally sustainable and digital economy, improving competitiveness, ensuring **adequate** working conditions, fostering innovation, promoting social justice and equal opportunities, as well as tackling inequalities and regional disparities.

sustainability, productivity, fairness and stability, the European Semester **should further integrate** the principles of the European Pillar of Social Rights, and its monitoring tool, the Social Scoreboard, and it foresees strong engagement with **the** social partners, civil society and other stakeholders. It supports the delivery of the Sustainable Development Goals, **in particular gender equality**. The Union's and Member States' employment and economic policies should go hand in hand with Europe's transition to a climate neutral, **socially inclusive**, environmentally sustainable and digital economy, improving competitiveness, ensuring **decent** working conditions **and robust welfare systems**, fostering innovation, promoting social justice and equal opportunities **and investing in youth**, as well as tackling inequalities and regional disparities **and reducing poverty**. **There is an urgent need to provide for quality and sustainable employment, including initiatives on decent working conditions on teleworking, the right to disconnect, parental and care related leave, the rights of platform workers, a general legal framework on subcontracting, with increased transparency and recommendations on liability, as well as health and safety and strengthening the role of collective bargaining.**

Amendment 3

Proposal for a decision

Recital 6

Text proposed by the Commission

(6) Climate change and environmental related challenges, globalisation, digitalisation, artificial intelligence, teleworking, the platform economy and demographic change **will transform** European economies and societies. The Union and its Member States should work

Amendment

(6) Climate change and environmental related challenges, globalisation, digitalisation, artificial intelligence, teleworking, the platform economy and demographic change **are transforming** European economies and societies. **While telework could be regarded as a step**

together to effectively address these structural factors and adapt existing systems as needed, recognising the close interdependence of the Member States' economies and labour markets, and related policies. This requires a coordinated, ambitious and effective policy action at both Union and national levels, in accordance with the TFEU and the Union's provisions on economic governance. Such policy action should encompass a boost in sustainable investment, a renewed commitment to appropriately sequenced reforms that enhance economic growth, quality job creation, productivity, *adequate* working conditions, social and territorial cohesion, upward convergence, resilience and the exercise of fiscal responsibility. It should combine supply- and demand-side measures, while taking into account their environmental, employment and social impact.

towards better work-life balance, enabling previously excluded groups of workers to access the labour markets, it also risks diluting boundaries between working and personal time, with possible negative effects on workers' fundamental rights and their physical and mental health. The Union and its Member States should work together to effectively address these structural factors and adapt existing systems as needed, recognising the close interdependence of the Member States' economies and labour markets, and related policies. This requires a coordinated, ambitious and effective policy action *involving the social partners* at both Union and national levels, in accordance with the TFEU, *the European Pillar of Social Rights* and the Union's provisions on economic governance. Such policy action should encompass a boost in sustainable investment, a renewed commitment to appropriately sequenced reforms that enhance economic growth, quality job creation, productivity, *decent* working conditions, social and territorial cohesion, upward convergence, resilience and the exercise of fiscal *and social* responsibility. It should combine supply- and demand-side measures, while taking into account their environmental, employment and social impact. *Following the Statement of EU ministers of finance on the Stability and Growth Pact in light of the COVID-19 crisis of 23 March 2020, which announced a temporary derogation from the Stability and Growth Pact (general escape clause) and the Commission communication of 2 June 2021, entitled 'Economic policy coordination in 2021: overcoming COVID-19, supporting the recovery and modernising our economy', which indicated that the general escape clause would continue to be applied in 2022 and was expected to be deactivated from 2023, Member States should make full use of the potential offered by the general escape clause to support undertakings which are in difficulty or*

lack liquidity, in particular microenterprises and small and medium-sized enterprises, to safeguard jobs, wages and working conditions and to invest in people and social welfare systems. The potential risk for public finances, caused by the prolongation, as well as the potential social negative consequences of its deactivation, expected in 2023, should be evaluated ex-ante.

Amendment 4

Proposal for a decision

Recital 8

Text proposed by the Commission

(8) On 8 May 2021, EU Leaders at the Porto Social Summit ⁽²⁰⁾ recognised the European Pillar of Social Rights as a fundamental element of the recovery noting that its implementation will strengthen the Union's drive towards a digital, green and fair transition and contribute to achieving upward social and economic convergence and addressing the demographic challenges. They stressed that the social dimension, social dialogue and the active involvement of social partners are at the core of a highly competitive social market economy. Member States found that the European Pillar of Social Rights Action Plan presented by the Commission provided useful guidance for the implementation of the Pillar, including in the areas of employment, skills, health and social protection. They welcomed the new EU headline targets for 2030 on employment (78% of the population aged 20-64 should be in employment), skills (60% of all adults should participate in training every year) and poverty reduction (of at least 15 million, including five million children) and the revised Social Scoreboard with a view to monitoring progress towards the implementation of the Social Pillar principles as part of the policy

Amendment

(8) On 8 May 2021, EU Leaders at the Porto Social Summit ⁽²⁰⁾ recognised the European Pillar of Social Rights as a fundamental element of the recovery noting that its implementation will strengthen the Union's drive towards a digital, green and fair transition and contribute to achieving upward social and economic convergence and addressing the demographic challenges. They stressed that the social dimension, social dialogue and the active involvement of **the** social partners are at the core of a highly competitive social market economy. Member States found that the European Pillar of Social Rights Action Plan presented by the Commission provided useful guidance for the implementation of the Pillar, including in the areas of employment, skills, health and social protection. They welcomed the new EU headline targets for 2030 on employment (78% of the population aged 20-64 should be in employment), skills (60% of all adults should participate in training every year) and poverty reduction (of at least 15 million, including five million children) and the revised Social Scoreboard with a view to monitoring progress towards the implementation of the Social Pillar

coordination framework in the context of the European Semester. Moreover, they noted that, as Europe gradually recovers from the COVID-19 pandemic, the priority will be to move from protecting to creating jobs and to improve job quality, and stressed that implementation of the principles in the European Pillar of Social Rights will be essential to ensure the creation of more and better jobs for all within the framework of an inclusive recovery. Finally, Member States stressed the importance of closely following, including at the highest level, the progress achieved towards the implementation of the European Pillar of Social Rights and the EU headline targets for 2030.

²⁰ European Council, Porto declaration, 8 May 2021.

Amendment 5

Proposal for a decision Recital 8 a (new)

Text proposed by the Commission

principles as part of the policy coordination framework in the context of the European Semester. Moreover, they noted that, as Europe gradually recovers from the COVID-19 pandemic, the priority will be to move from protecting to creating jobs and to improve job quality, and stressed that implementation of the principles in the European Pillar of Social Rights will be essential to ensure the creation of more and better jobs for all within the framework of an inclusive recovery. Finally, Member States stressed the importance of closely following, including at the highest level, the progress achieved towards the implementation of the European Pillar of Social Rights and the EU headline targets for 2030. ***Member States should ensure fair mobility and the portability of rights and entitlements through better protection of mobile workers including cross-border and seasonal workers, more effective labour inspectorates and the introduction of effective digital solutions.***

²⁰ European Council, Porto declaration, 8 May 2021.

Amendment

(8a) Homelessness is one of the most extreme forms of social exclusion, which negatively affects people's physical and mental health, wellbeing, and quality of life, as well as their access to employment and other economic and social services. The European Parliament, the Commission, national, regional and local authorities as well as Union level civil society organisations have agreed to launch the European Platform on Combatting Homelessness. With the

ultimate objective of ending homelessness by 2030, they committed themselves to implementing the housing first principle, promoting the prevention of homelessness and providing access to adequate, safe and affordable housing and support services to homeless people, while putting in place the policy measures necessary, with adequate national and Union funding.

Amendment 6

Proposal for a decision

Recital 9

Text proposed by the Commission

(9) Reforms to the labour market, including the national wage-setting mechanisms, should follow national practices of social dialogue, with a view to providing fair wages that enable a decent standard of living and sustainable growth. They should also allow the necessary opportunity for a broad consideration of socioeconomic issues, including improvements in sustainability, competitiveness, innovation, quality job creation, working conditions, in-work poverty, education and skills, public health and inclusion and real incomes. Member States and the Union should ensure that the social, employment and economic impact of the COVID-19 crisis is mitigated and that transitions are socially fair and just. Strengthening the recovery and the drive towards an inclusive and resilient society in which people are protected and empowered to anticipate and manage change, and in which they can actively participate in society and the economy, should be pursued. A coherent set of active labour market policies consisting of temporary hiring and transition *incentives*, skills *policies* and improved employment services is needed to support labour market transitions as highlighted in the

Amendment

(9) Reforms to the labour market, including the national wage-setting mechanisms, should follow national practices of social dialogue, with a view to providing fair wages that enable a decent standard of living and sustainable growth. They should also allow the necessary opportunity for a broad consideration of socioeconomic issues, including improvements in sustainability, competitiveness, innovation, quality job creation, working conditions, in-work poverty, *gender equality*, education and skills, public health and inclusion and real incomes. *Member States should therefore respect and strengthen the role of the social partners, promote the extension of the collective bargaining coverage, and support a high trade union and employers' organisation density in order to ensure an inclusive and socially just recovery.* Member States and the Union should ensure that the social, employment and economic impact of the COVID-19 crisis is mitigated and that transitions are socially fair and just. Strengthening the recovery and the drive towards an inclusive and resilient society in which people are protected and empowered to anticipate and manage change, and in which they can

Commission Recommendation (EU) on an effective active support to employment following the COVID-19 crisis (EASE).

actively participate in society and the economy, should be pursued. A coherent set of active labour market policies consisting of temporary *incentives for hiring and transition skills, the validation and acquisition of competences* and improved employment services is needed to support labour market transitions as highlighted in the Commission Recommendation (EU) on an effective active support to employment following the COVID-19 crisis (EASE). *A thorough evaluation of national policies and support schemes which have been deployed to mitigate the effects of the COVID-19 pandemic is needed in order to enable lessons to be learnt and identify instruments for future use.*

Amendment 7

Proposal for a decision

Recital 10

Text proposed by the Commission

(10) Discrimination in all its forms should be *tackled*, gender equality ensured and youth employment *supported*. Access and opportunities for all should be ensured and poverty and social exclusion, including that of children, should be *reduced*, in particular by ensuring an effective functioning of labour markets and adequate and inclusive social protection systems, and by removing barriers to education, training and labour-market participation, including through investments in early childhood education and care *and in* digital skills. Timely and equal access to affordable long-term care and healthcare services, including prevention and healthcare promotion, are particularly *relevant*, in light of the COVID-19 crisis and in a context of ageing societies. The potential of *people* with disabilities to contribute to economic growth and social development should be further realised. As

Amendment

(10) Discrimination in all its forms should be *eliminated*, gender equality ensured and youth employment *promoted*. Access and opportunities for all should be ensured and poverty and social exclusion, including that of children, should be *eradicated*, in particular by ensuring an effective functioning of labour markets and adequate and inclusive social protection systems, and by removing barriers to education, training and labour-market participation, including through investments in early childhood education and care, digital skills *and lifelong learning. Member States should boost investment in sustainable, quality jobs and adopt a comprehensive approach for lifting children out of poverty and supporting the parents of children in need. The European Child Guarantee should be mainstreamed across all policy sectors and funding for children's rights*

new economic and business models take hold in Union workplaces, employment relationships are also changing. Member States should ensure that employment relationships stemming from new forms of work ***maintain and*** strengthen Europe's social model.

should be prioritised, while making full use of existing Union policies and funds for concrete measures that contribute to eradicating child poverty and social exclusion. Timely and equal access to affordable long-term care and healthcare services, including prevention, ***not least of mental health issues at the workplace***, and healthcare promotion, are particularly ***important***, in light of the COVID-19 crisis and in a context of ageing societies. The potential of ***persons*** with disabilities to contribute to economic growth and social development should be further realised. As new economic and business models take hold in Union workplaces, employment relationships are also changing. Member States should ensure that employment relationships stemming from new forms of work strengthen Europe's social ***model, while guaranteeing workers' rights, decent working conditions, including health and safety at work, decent wages and a good work-life balance.***

Amendment 8

Proposal for a decision

Recital 12

Text proposed by the Commission

(12) Member States should make full use of REACT-EU ⁽²¹⁾ reinforcing cohesion policy funds until 2023, the European Social Fund Plus, the new Recovery and Resilience Facility ⁽²²⁾ and other Union funds, including the Just Transition Fund and InvestEU, to foster employment, social investments, social inclusion, accessibility, promote upskilling and reskilling opportunities of the workforce, lifelong learning and high quality education and training for all, including digital literacy and skills. While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all

Amendment

(12) Member States should make full use of REACT-EU reinforcing cohesion policy funds until 2023²¹, the European Social Fund Plus, the new Recovery and Resilience Facility²² and other Union funds, including the Just Transition Fund and InvestEU, to foster employment, social investments, social inclusion, accessibility, promote upskilling and reskilling opportunities of the workforce, lifelong learning and high quality education and training for all, including digital literacy and skills. ***Member States should also make full use of the revised European Globalisation Adjustment Fund for Displaced Workers established by***

national, regional and local authorities, closely involving parliaments, as well as the social partners and representatives of civil society.

Regulation (EU) 2021/691 of the European Parliament and of the Council^{22a} to support workers made redundant as a result of the COVID-19 crisis. While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as the social partners and representatives of civil society.

²¹ Regulation (EU) 2020/2221 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU) No 1303/2013 as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy (REACT-EU) (OJ L 437, 28.12.2020, p. 30–42).

²¹ Regulation (EU) 2020/2221 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU) No 1303/2013 as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy (REACT-EU) (OJ L 437, 28.12.2020, p. 30–42).

²² Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17–75).

²² Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17–75).

^{22a} ***Regulation (EU) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013 (OJ L 153, 3.5.2021, p. 48).***

Amendment 9

Proposal for a decision Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) In its legislative resolution of 10 July 2020 on the proposal for a Council decision on guidelines for the employment

policies of the Member States, the European Parliament called for a revision of the guidelines for the employment policies of the Member States in light of the COVID-19 pandemic and its social and employment consequences in order to better respond to the crisis. It is essential that the guidelines for the employment policies of the Member States are revised accordingly. In order to strengthen democratic decision-making, the European Parliament should be involved in defining the Integrated Guidelines for Growth and Jobs on an equal footing with Council.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Guidelines for the employment policies of the Member States
References	COM(2021)0282 – C9-0205/2021 – 2021/0137(NLE)
Date of consultation / request for consent	11.6.2021
Committee responsible Date announced in plenary	EMPL 23.6.2021
Rapporteurs Date appointed	Lucia Ďuriš Nicholsonová 14.6.2021
Simplified procedure - date of decision	14.6.2021
Discussed in committee	28.6.2021
Date adopted	1.9.2021
Date tabled	3.9.2021