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REPORT

on employment and social policies of the euro area 2021
(2021/2062(INI))

Committee on Employment and Social Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on employment and social policies of the euro area 2021 (2021/2062(INI))

The European Parliament,

- having regard to the Commission communication of 2 June 2021 entitled ‘Economic policy coordination in 2021: overcoming COVID-19, supporting the recovery and modernising our economy (COM(2021)0500),
- having regard to the Commission’s European Semester Spring Package 2021: Omnibus report under Art 126(3) (COM(2021)0529),
- having regard to the Spring 2021 European Economic Forecast published by the Commission on 12 May 2021¹,
- having regard to the OECD Economic Outlook, Volume 2021 Issue 1: Preliminary version²,
- having regard to the Porto Social Commitment, signed by the Portuguese Presidency of the Council, the President of Parliament and representatives of the social partners and civil society organisations³,
- having regard to the Porto Declaration of 8 May 2021, approved by the European Council⁴,
- having regard to its resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans⁵,
- having regard to the Commission communication of 17 September 2020 on the Annual Sustainable Growth Strategy 2021 (COM(2020)0575),
- having regard to the Commission’s Joint Employment Report 2021 as adopted by the Council on 9 March 2021⁶,
- having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights⁷,
- having regard to the European Pillar of Social Rights,

¹ https://ec.europa.eu/info/publications/european-economic-forecast-spring-2021_en

² <https://www.oecd-ilibrary.org/sites/edfbca02-en/index.html?itemId=/content/publication/edfbca02-en>

³ <https://www.2021portugal.eu/en/porto-social-summit/porto-social-commitment>

⁴ <https://www.consilium.europa.eu/en/press/press-releases/2021/05/08/the-porto-declaration/>

⁵ Texts adopted, P9_TA(2021)0288.

⁶ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=9834>

⁷ OJ C 242, 10.7.2018, p. 24.

- having regard to the Commission communication of 14 January 2020 entitled ‘A strong social Europe for just transitions’ (COM(2020)0014),
- having regard to the United Nations 2030 Agenda for Sustainable Development,
- having regard to the Commission communication of 27 May 2020 entitled ‘Europe’s moment: Repair and Prepare for the Next Generation’ (COM(2020)0456),
- having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility⁸ (RRF),
- having regard to the report commissioned by the Committee of the Regions entitled ‘Application of the principles of partnership and multi-level governance in Cohesion Policy programming 2021-2027’⁹,
- having regard to the annual conference on the European Semester of the European Economic and Social Committee held on 31 May 2021¹⁰,
- having regard to the European Economic and Social Committee resolution of February 2021 entitled ‘Involvement of Organised Civil Society in the National Recovery and Resilience Plans – What works and what does not?’¹¹,
- having regard to the statement of the Presidency of the Council of the European Union, the European Commission and the European Social Partners of 2016 entitled ‘A New Start for Social Dialogue’,
- having regard to the study by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) of 23 March 2021 entitled ‘COVID-19: Implications for employment and working life’¹²,
- having regard to the Eurofound study of April 2021 entitled ‘Living, working and COVID-19 Mental health and trust decline across EU’¹³,
- having regard to the European Courts of Auditors special report 10/2021 entitled ‘Gender mainstreaming in the EU budget: time to turn words into action’¹⁴,
- having regard the Long Term Care Report 2021 prepared by the Commission and the Social Protection Committee¹⁵,
- having regard to the European Court of Auditors Special Report 09/2018 entitled ‘Public Private Partnerships in the EU: Widespread shortcomings and limited

⁸ OJ L 57, 18.2.2021, p. 17.

⁹ https://cor.europa.eu/en/engage/studies/Documents/Partnership_2021.pdf

¹⁰ <https://www.eesc.europa.eu/en/agenda/our-events/events/european-semester-annual-conference-2021>

¹¹ <https://www.eesc.europa.eu/en/sections-other-bodies/other/ad-hoc-group-european-semester/civil-society-and-recovery-and-resilience-plans>

¹² <https://www.eurofound.europa.eu/publications/report/2021/covid-19-implications-for-employment-and-working-life>

¹³ <https://www.eurofound.europa.eu/publications/report/2021/living-working-and-covid-19-update-april-2021>

¹⁴ https://www.eca.europa.eu/Lists/ECADocuments/SR21_10/SR_Gender_mainstreaming_EN.pdf

¹⁵ <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8396>

benefits'¹⁶,

- having regard to the report of the UN Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, following his visit to the EU institutions from 25 November 2020 to 29 January 2021¹⁷,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A9-0274/2021),
- A. whereas the COVID-19 crisis has had and will most likely continue to have a significant but disproportionate impact on different Member States, social groups, sectors and regions, and is leading to an increase in poverty levels across the EU; whereas the most vulnerable have been hit hardest; whereas the crisis has had a devastating effect on different vulnerable groups and has posed an unprecedented challenge for the workforce providing elderly care; whereas women, when compared to men, as well as young people, low-skilled workers, migrants, persons with disabilities, people from disadvantaged backgrounds, older people, and people with temporary contracts or in other non-standard forms of employment, but also the self-employed, have been disproportionately affected; whereas some companies have been severely impacted, in particular small and medium-sized enterprises (SMEs) and micro-enterprises;
- B. whereas according to the Commission's European Economic Forecast Spring 2021¹⁸, the EU economy will expand by 4.2 % in 2021 and by 4.4 % in 2022; whereas the unemployment rate in the EU is forecast at 7.6 % in 2021 and 7 % in 2022; whereas these rates remain higher than pre-crisis levels;
- C. whereas the coronavirus pandemic represented a shock of historic proportions for Europe's economies, with an economic contraction of 6.1 % in 2020; whereas businesses and consumers have adapted to cope better with containment measures, yet some sectors – such as tourism and in-person services – continue to suffer;
- D. whereas combating age discrimination and removing barriers for senior citizens to voluntary work beyond the standard pension age is important for active ageing and more solidarity among generations;
- E. whereas the increase in inequalities within European societies during the COVID-19 crisis has accelerated dangerous social trends, which can create a climate of division, stress and disillusionment that leads to all members of society, not just the deprived, suffering from reduced levels of well-being; whereas the reduction of inequalities is a crucial prerequisite for achieving sustainability and well-being for all, due to their detrimental impact on the overall performance of societies across key well-being indicators such as mental and physical health and trust in democratic institutions, as well as on social peace and security; whereas social protection systems are under severe pressure to mitigate the social impact of the crisis and ensure decent living conditions

¹⁶ https://www.eca.europa.eu/Lists/ECADocuments/SR18_09/SR_PPP_EN.pdf

¹⁷ <https://undocs.org/A/HRC/47/36/Add.1>

¹⁸ https://ec.europa.eu/info/publications/european-economic-forecast-spring-2021_en

for all, as well as access to essential services such as health, education and housing;

- F. whereas at the Porto Social Summit of 7 and 8 May 2021, EU leaders recognised the European Pillar of Social Rights (EPSR) as a fundamental element of the recovery, and underlined in the Porto declaration their determination to continue deepening its implementation at EU and national level;
- G. whereas young people have experienced the sharpest decline in employment¹⁹, as well as a loss of opportunity due to a lack of training or internship opportunities; whereas in some Member States workers in precarious employment have been particularly exposed to job losses because of the pandemic and have suffered from a lack of social protection; whereas more investment is needed in affordable, accessible, inclusive and high-quality vocational education and training (VET) so that everyone has the right competencies and qualifications, including those needed for the green and digital transitions; whereas one of the main priorities is to avoid another ‘lost generation’ of young people; whereas policies that increase inequalities between generations affect the sustainability of our welfare system as well as our democracies;
- H. whereas digitisation of the labour market constitutes an opportunity whose benefits should be harnessed, while ensuring that teleworking and flexibility regarding working time do not lead to the violation of workers’ rights;
- I. whereas short-time working schemes that can be activated in a crisis and that allow for the structural adjustment of economies and human resources will be critical; whereas the strong involvement of social partners would prevent unexpected exclusion in relation to eligibility; whereas these job retention schemes have continued to cushion developments in the labour market, covering an estimated 5.6 % of the labour force in February 2021, up from around 5 % in October 2020 in response to the latest lockdown measures²⁰;
- J. whereas the pandemic has clearly demonstrated the importance of integrated care, with a focus on the delivery of quality services throughout the life-course cycle and paying special attention to care for children, people with disabilities, vulnerable people and the elderly; whereas during the lockdowns, women carried out most of the unpaid work, despite men sharing the housework more than before²¹ (women dedicated 18.4 hours per week to cooking and housework, compared to 12.1 hours for men, while before the pandemic, women spent 15.8 hours and men 6.8 hours on these tasks); whereas staff shortages in the health and care sectors, which some Member States were already facing before the pandemic²², caused by a lack of investments and/or lack of anticipation of demographic change, may have been exacerbated by the crisis, due also to the enormous pressure of work and mental stress resulting from the pandemic²³; whereas social partners in health and social services are calling for a number of improvements in the

¹⁹ <https://www.eurofound.europa.eu/nb/publications/report/2021/covid-19-implications-for-employment-and-working-life>

²⁰ <https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202103.en.html>

²¹ <https://eige.europa.eu/covid-19-and-gender-equality/unpaid-care-and-housework>

²² <https://op.europa.eu/en/publication-detail/-/publication/22189434-395d-11eb-b27b-01aa75ed71a1/language-en>

²³ <https://www.fes.de/en/politik-fuer-europa/on-the-corona-frontline>

delivery of health and social care to ensure resilience and preparedness²⁴;

- K. whereas the European Court of Auditors (ECA) has pointed out that the EU's budget cycle did not adequately take gender equality into account; whereas the ECA has recommended that the Commission assess and report on whether Member States' recovery and resilience plans address gender equality; whereas Next Generation EU addresses the green and digital transitions, primarily affecting sectors and professions which are male-dominated;
- L. whereas, regarding the social dimension of the RRF, the RRF Regulation establishes the general objective of promoting the Union's economic, social and territorial cohesion by improving the resilience, crisis preparedness, adjustment capacity and growth potential of the Member States, by mitigating the social and economic impact of the crisis, contributing to the implementation of the EPSR and to upward social convergence, restoring and promoting sustainable growth, and fostering high-quality employment creation;
- M. whereas global challenges such as digitalisation and the fight against climate change persist regardless of the COVID-19 crisis and require a just transition so as to leave no one behind; whereas climate change, global warming and biodiversity loss are accelerating exponentially, according to the latest report of the Intergovernmental Panel on Climate Change (IPCC); whereas the consequences of climate breakdown and extreme weather events are being felt more intensely and more frequently than before by EU citizens and workers; whereas 2030 decarbonisation targets have been increased in order to achieve carbon-neutrality by 2050; whereas increased mitigation and adaptation efforts would require the profound transformation of European and national economies and labour markets;
- N. whereas the specific objective of the RRF is to provide Member States with financial support with a view to achieving the milestones and targets of the reforms and investments set out in their National Resilience and Recovery Plans (NRRPs); whereas this means that any actions set out in the plans (including digital and green investments) and the agreed reforms have to contribute to the principles of the EPSR, quality job creation and upward social convergence; whereas actions that do not contribute to these social objectives are not in line with the requirements of the RRF Regulation;
- O. whereas according to Article 17.3 of the RRF Regulation, national plans must be consistent with the relevant country-specific challenges and priorities identified in the context of the European Semester, as well as those identified in the most recent Council recommendation on the economic policy of the euro area for Member States whose currency is the euro;
- P. whereas socially sustainable reforms are those based on solidarity, integration, social justice, a fair distribution of wealth, gender equality, a high-quality public education system for all, quality employment and sustainable growth – a model that ensures equality and social protection, empowers vulnerable groups, enhances participation and

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https://www.epsu.org/sites/default/files/article/files/Position%20of%20EPSU%20on%20lessons%20learnt_final.pdf

citizenship and improves living standards for all;

- Q. whereas the COVID-19 crisis has accelerated the digital transition of the European and national economies and the development of new methods of work; whereas digitalisation, robotisation, automation and artificial intelligence must benefit workers and society by improving working conditions and quality of life, ensuring a good work-life balance, creating better employment opportunities, and contributing to socioeconomic convergence;
1. Recalls that, according to the Treaties, the Union shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy aiming at full employment, healthy and safe working environments and conditions, and social progress, a high level of protection and improvement of the quality of the environment, the promotion of scientific and technological progress, combating poverty and inequalities, social exclusion and discrimination, and promoting upward social convergence, social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child and persons with disabilities; insists that these goals must be the overarching priorities for the EU's long-term sustainable growth strategy in line with the UN Sustainable Development Goals (SDGs), the EPSR and the Green Deal, and underpin Member States' recovery and resilience plans; calls on the Commission to ensure that the European Semester is aligned with these goals and strategies, thereby making the European Semester a truly comprehensive tool;
 2. Calls on the Member States to make full use of the potential offered by the general escape clause, the new multiannual financial framework and Next Generation EU to support companies in difficulty and lacking liquidity, particularly by improving access to funding for SMEs, safeguarding the jobs and working conditions of people working in the EU, and accompanying enterprises and workers in the green and digital transitions;
 3. Highlights that economic policy cannot only be analysed from a purely macroeconomic perspective focused on traditional indicators of growth, debt, deficit and employment rate and that it should address the root causes of long-term economic and social imbalances; insists that the European Semester must be based on an integrated approach giving equal importance to economic, social and environmental policies; believes that climate policies must also be given a prominent role; calls for the European Semester to ensure coordination between Member States, making sure that they move in the same direction towards a climate-neutral and more digital economy, leaving no one behind, as well as promoting structural change for social progress, sustainable development and well-being; stresses the importance of keeping in mind the effects of economic policies in order to prevent negative social consequences, as well as negative impacts for social cohesion, including on many vulnerable groups, and therefore for our democracies and the European project;
 4. Welcomes EU leaders' commitment to the implementation of the EPSR and to the three new EU headline targets to be achieved by 2030; calls on the Commission to ensure the timely and rigorous implementation of the EPSR Action Plan, through concrete steps and achievements, and to make sure that each proposal delivers and reaches its goal;

calls for the indicators to cover the social risks that stem from the pandemic effects on the economy, employment and health and that the green and digital transformations might incur for people and workers; notes that SDG monitoring and the new social scoreboard provide for more comprehensive monitoring of these risks, but without providing clear targets to measure the impact of EU action; supports an ambitious agenda of strong, sustainable and inclusive economic and social recovery and modernisation that goes hand in hand with strengthening the European social model, so that all people can benefit from the green and digital transitions and live in dignity; calls on Member States to set ambitious national targets which, taking due account of the starting position of each country, constitute an adequate contribution to the achievement of the European targets;

5. Calls on the Commission to draw lessons from this crisis and work towards the implementation of an improved sustainable governance architecture in the EU based on solidarity, social justice and integration, fair distribution of wealth, gender equality, high-quality public services, including a public, universal and high-quality education system, quality employment and sustainable growth; calls on the Commission, prior to taking the decision to deactivate the general escape clause, to consider not only an overall assessment of the state of the economy based on quantitative criteria, but also one that properly reflects underlying inequalities, as well as the employment, social and health situations of the Member States affected; believes that the review of the EU economic governance framework should preferably take place prior to the deactivation of the general escape clause;
6. Recalls that certain political choices and fiscal policies made in the wake of the 2008 financial and economic crisis may have led to health and social systems in some Member States not being adequately prepared to face the pandemic; stresses the need for additional criteria, especially those that take into consideration the need for sustainable public, social and environmental investment, public and private sector economic activity, and social progress towards the implementation of the EPSR in the Member States; believes that merely reaching pre-crisis economic activity levels might not be sufficient to consolidate a sustainable recovery; stresses that the current instruments might not be enough to overcome risks of economic stagnation, increasing inequalities and social and territorial divergence;
7. Notes that the COVID-19 pandemic has affected the well-being of everyone in the EU, and vulnerable population groups in particular; recalls that the President of the Commission has committed to placing sustainability, social inclusion and citizens' well-being at the heart of the EU economic strategy²⁵; believes that this is essential to ensure that Europe remains home to the world's most advanced welfare systems, becomes the first climate-neutral continent and is a vibrant hub of innovation and competitive entrepreneurship; recalls that social, economic and territorial inequalities among and within Member States have deepened in the last decade; calls on the Commission to integrate social and environmental imbalances into its analysis in the framework of the Semester; invites Member States to participate in the review of the EU fiscal rules in order to encourage sustainable social and growth-enhancing investment while

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https://ec.europa.eu/commission/presscorner/detail/en/ip_19_6770?utm_campaign=58ca6a2173a6a3222e01b7f2&utm_content=5df9bbf40f09e4000147a897&utm_medium=smarpshare&utm_source=generic

maintaining sustainable public finances and robust welfare systems;

8. Reiterates the importance of the adequacy and sustainability of social protection systems in Member States; takes note of the G20 communiqué of 9 and 10 July 2021 and the commitment of the G20 to an effective global minimum tax as set out in the ‘Statement on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy’ released by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) on 1 July 2021; looks forward to the Commission’s proposal on how to transpose the international agreement into EU law in order to avoid aggressive tax planning and ensure fairness for the middle class and working people in the EU;
9. Acknowledges that access to essential services, such as water and energy, are critical to ensuring social inclusion and basic sanitary standards; calls for support measures to ensure inclusive and affordable access to essential services in the framework of the implementation of the EPSR Action Plan; calls on the Commission and the Member States to come up with specific proposals to adequately address the problem of energy poverty in the context of our Green Deal objectives and to assess the energy markets in order to avoid the negative effects of rising energy prices on SME competitiveness and on households;
10. Highlights that well-designed labour taxation systems are essential to ensuring high standards of worker protection against risks and illness, and the provision of old age pensions; believes that tax systems should be designed in a way that reduces inequalities, promotes fairness and protects households, and should be balanced in order to make systems fairer and more efficient; stresses that public revenue could be used to fund key priorities and help address Member States’ fiscal challenges, and contribute to the long-term sustainability of public finances, including by strengthening the coverage and adequacy of health and social protection systems for all, and ensuring their long-term funding; calls on the Commission and the Member States to take real measures to combat tax avoidance and tax fraud as an important means of reducing economic inequalities and improving the collection of tax revenue in the Member States;
11. Highlights the importance of better integrating social objectives, social progress, well-being and sustainability across all EU policies, especially in the EU budgetary planning, thereby ensuring the coherence of public expenditures and investments with social and environmental goals and identifying the potential social impacts of budgeting choices; calls on the Commission to integrate sustainability and well-being into the Annual Sustainable Growth Strategy and the country-specific recommendations (CSRs), and to give prominence to the social impact of EU policy measures in its impact assessment; stresses the importance of strengthening a comprehensive and integrated framework within the European Semester process, paying special attention to the most vulnerable and marginalised groups of society;
12. Stresses that the COVID-19 crisis has exposed gaps in access to social protection, highlighting the importance of fostering greater resilience by, for example, improving the adequacy and coverage of minimum income schemes and pensions, and easing eligibility conditions;

13. Is concerned about over-indebtedness arising from the pandemic and its economic and social consequences, and stresses that people and SMEs have to be protected from being trapped into over-indebtedness; calls for further improvement in debt advisory and debt protection services and for the raising of financial awareness; believes that, regarding the non-performing loans mentioned in the Commission's communication of 2 June 2021, it is European SMEs, workers and households that should be supported; notes that the RRF offers the opportunity to support the recovery through additional investment and reforms in this regard; stresses the importance of adopting policy tools to address how low-income households struggling to pay their bills and make ends meet can survive the pandemic's effects and avoid sliding into a poverty trap;

European governance framework 2022 for sustainability, social inclusion and people's well-being

14. Believes that, in the context of the Recovery and Resilience Plans, skyrocketing public debt levels and the upcoming reform of the Stability and Growth Pact and the Semester process, Parliament's proposal for the adoption of a sustainable well-being and social progress pact making social and sustainable targets mandatory in order to achieve the UN SDGs has become more relevant than ever; notes that, in this regard, SDG 8 on sustainable growth, employment and decent work has proven to be a driving factor for the entire UN 2030 Agenda;
15. Believes that sustainable, smart and inclusive growth needs to ensure sustainable fiscal policy in the medium term, and that EU economic and social policies work towards a long-lasting recovery, making our economies and societies more sustainable, inclusive, resilient and better prepared for the green and digital transitions; highlights, in this regard, that the implementation of the EPSR Action Plan will help to strengthen the social dimension of all Union policies and ensure an inclusive recovery;
16. Stresses that greater economic and social governance among the Member States, particularly by moving towards greater convergence of tax rules, would be a driving force for recovery;
17. Agrees with European leaders, with regard to economic and social governance of the EU, on the need for a regular assessment of progress towards the 2030 headline targets and upward convergence at the highest political level²⁶; believes that, within a governance review process, the ministers of labour and social policies and the ministers of the economy and finance should be equally involved, in order to give equal value to economic, social and employment issues under the European Semester mechanism; agrees with the Council that the implementation of the EPSR will strengthen the Union's drive towards a digital, green and fair transition and contribute to achieving upward social and economic convergence and addressing demographic challenges, and that the social dimension, social dialogue and the active involvement of social partners have always been at the core of a highly competitive social market economy; believes that the social scoreboard must be renewed as part of the policy coordination framework of the European Semester, in order for progress on these matters to be tracked and for the scoreboard to be adapted to the post-pandemic situation, as well as aligned with the

²⁶ <https://www.consilium.europa.eu/en/press/press-releases/2021/05/08/the-porto-declaration/>

RRF process;

18. Stresses that a policy orientation and governance approach which aim to put people and their well-being at the centre of policy and decision-making are vital to the future of the European Union; demands that the Commission present a comprehensive proposal to this end, detailing a series of specific social, ecological, and economic objectives which should reflect the EU's relevant commitments, both international and internal, including those stemming from Parliament's resolution of 17 December 2020 on a strong social Europe for Just Transitions²⁷, the UN SDGs, the Paris Agreement, the European Climate Law's objective of reaching greenhouse gas neutrality by 2050 and related intermediate targets, the European Charter of Fundamental Rights, the EPSR, and the commitment to eliminating poverty in Europe by 2050 by means of an EU anti-poverty law;
19. Believes it necessary to follow up on the 2016 statement on a new start for social dialogue and to review ways of ensuring the involvement of social partners in the governance of the European Semester, which has so far been inadequate, thus sharing the reform objectives with workers and businesses and hence facilitating their implementation;
20. Welcomes the European social partners' joint proposal for an alternative set of indicators to measure progress on economic, social, environmental and climate policies, supplementing GDP as a welfare measurement for inclusive and sustainable growth; believes that the social scoreboard must include additional indicators that fully reflect the trends and causes of inequality, including the evolution of financial and non-financial profits compared to the evolution of wages and private debt; highlights the importance of taking into account the interests of the most vulnerable and marginalised members of our society in this process; stresses that social partners must be involved in the decision-making process for launching strategic action geared towards the recovery; believes that any action taken in this regard must not interfere with social partners' autonomy;
21. Highlights the need to measure the social impact of environmental degradation and climate change; calls for the right to health and to a healthy environment to be safeguarded at EU level, as this right is essential to ensuring the fulfilment of most other fundamental rights such as food, shelter and work and to achieving an inclusive transition;

From protecting to creating green, digital and quality jobs: the need for an ambitious European social agenda

22. Urges the Commission and the Member States to ensure that trade unions have access to the workplace and the workers themselves, including where work is carried out digitally; stresses the need to guarantee that all workers, including those in the digital economy, have the right to collective bargaining and to take collective action;
23. Agrees with the European leaders that with unemployment and inequalities increasing due to the pandemic, it is important to channel resources where they are most needed to

²⁷ Texts adopted, P9_TA(2020)0371.

strengthen our economies and to focus our policy endeavours on equal access to quality services to improve equal opportunities, on quality job improvement and creation, on entrepreneurship, up and reskilling, and on reducing poverty and exclusion; stresses that the extraordinary resources made available to support Europe's recovery are a chance that cannot be missed;

24. Highlights the negative impact of the COVID-19 crisis on the European labour market and the ensuing unprecedented job losses, especially in strategic sectors, as well as the associated rise in poverty and divergences in living standards, which particularly affect young people, women and workers in low-skilled positions and precarious employment;
25. Acknowledges that the Member States are projected to reach their pre-crisis level of quarterly output by the end of 2022; underlines that for the recovery to be sustainable, it is essential that quality jobs are also created for medium- and low-skilled workers and for women and young people in particular, while evenly distributed across Europe to prevent imbalances between the regions, as it has been proven that they are essential for the resilience of our societies and economies; believes that social partners play a crucial role in anticipating the development of labour markets and in ensuring smooth transitions for workers affected by structural change; believes that strengthening collective bargaining structures at all levels is essential to create quality and sustainable employment;
26. Stresses that quality education and a well-educated workforce, together with a commitment to research and innovation, is a prerequisite for sustainable recovery and social cohesion; points out that medium- and low-skilled workers must be given the chance to reskill and upskill; insists that sustainable investment in quality apprenticeships, adult participation in lifelong learning and employee training must be a priority; points out that an inclusive economic recovery will require sustainable public and private investment to ensure access to training for the unemployed and low-qualified people so as to obtain certified basic skills, professional skills and key competences leading to qualifications and career transitions; highlights the importance, in this context, of strengthening EU education programmes, aligning training and education with the needs of society and the economy, and supporting employees and teachers, as well as the importance of investments in digital, green and social infrastructure; stresses that implementing the EU skills agenda for all is critical for tackling skills shortages; calls on the Commission and the Member States to maximise their efforts to invest in affordable, accessible, inclusive and high-quality VET, to reinforce upskilling and reskilling measures, including digital and transferable skills, and to promote lifelong learning to prepare workers for the needs of the labour market in the light of the green and digital transformations; underlines that the mutual recognition of qualifications is key to overcoming skills shortages and skills mismatches;
27. Welcomes the Commission's proposal on strengthening the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms; welcomes the fact that this proposal introduces binding pay transparency measures; urges the swift adoption of these measures in order to prevent further gender-based inequalities; calls on the Member States and the Commission to support entrepreneurship among women and to facilitate

their access to financing; calls on the Member States to unblock negotiations in the Council on the Women on Boards Directive as a matter of urgency;

28. Underlines the importance of ensuring that workers in the EU are protected by adequate minimum wages defined by law or collective agreements, in line with national traditions and practices, ensuring they have a decent standard of living wherever they work; welcomes, in this regard, the Commission's proposal for a directive on adequate minimum wages in the EU, which aims to increase collective bargaining coverage, fight in-work poverty and increase upward social convergence;
29. Deems it necessary to increase the financial and human resources of public employment services; calls on the Member States to put effective performance management mechanisms in place for public employment services in order to assess the impact of their labour market programmes and explore means of improvement; invites the Member States to equip their public employment services with technological solutions to enable them to streamline the hiring of jobseekers more efficiently and to assess and match their skills better;
30. Reminds the Member States that independent living, quality social and employment services, adequate social protection and a stronger social economy are indispensable for decent living for all persons with disabilities, as highlighted in the EU strategy for the rights of persons with disabilities;
31. Calls on the Commission and the Member States to use a specific system to monitor the creation of quality jobs in all sectors including those created from public investment, which should also include a dedicated section on green and digital jobs and take account of the gender and non-discrimination perspective, and to agree on a system of quality and green job creation conditionalities for companies seeking to access EU public funds; calls for close monitoring of active outreach measures to ensure equal participation of those furthest from quality jobs on the labour market; stresses that access to EU public funds must be made conditional on respect for workers' rights and collective agreements;
32. Calls on the Member States to take measures to remedy the lack of access to social protection systems, notably by following the Council recommendation of 8 November 2019 on access to social protection for workers and the self-employed²⁸; welcomes, once again, the adoption of this recommendation as a first step and the Commission's commitment to strengthening social protection systems in Europe, but stresses the need to make universal access to social protection a reality, especially in the difficult circumstances at present; calls on the Commission to present an EU regulatory framework aimed at strengthening and ensuring decent working conditions, rights and access to social protection for platform workers and non-standard workers;
33. Calls on the Commission to update its framework for the establishment and development of cooperatives and social economy enterprises, which by their very nature place a greater emphasis on fair working conditions and the empowerment of workers;
34. Stresses that if the EU wants to lead a sustainable and inclusive global recovery,

²⁸ OJ C 387, 15.11.2019, p. 1.

modernising our economies and ensuring quality jobs in the process, millions of well-paying jobs must be created, including for medium- and low-skilled workers, while ensuring upward, social and economic convergence and equal opportunities for all so that everyone has the opportunity to contribute to the common European project; insists that more investment is needed in green, digital and social infrastructure, in public services, education and social services, and in research, innovation and zero-carbon technologies, taking into consideration the particular nature of micro-enterprises and SMEs, which are key players in the European economic fabric, in order to make the most of their innovative potential, while improving SMEs' access to public and private funding and ensuring sustainable, growth-friendly investments; calls for the social and sustainable dimensions of the industrial strategy to be strengthened, with a particular focus on quality employment and strategic value chains in the EU;

35. Is concerned about the serious social impact of the COVID-19 crisis and its consequences for employment, especially for young people; calls on the Member States and the Commission to make sure that every young European has access to education, training and the labour market; calls on the Member States and the Commission to prioritise the fight against youth unemployment, not least in the context of the NextGenerationEU recovery instrument, to make full use of financial instruments such as the Youth Guarantee and European programmes such as Erasmus+, and to take appropriate measures to tackle youth unemployment and improve the employability of young people; highlights, in addition, that the new European Globalisation Adjustment Fund for Displaced Workers could be mobilised in response to the consequences of the COVID-19 crisis for employment; calls on the Member States, therefore, to quickly submit applications to the Commission for funding to support European workers who have lost their jobs as a result of COVID-19 in their retraining, requalification and reintegration into the labour market;
36. Underlines the importance of intra-EU labour mobility and stresses that the free movement of workers contributes to economic growth and cohesion in the Union and creates job opportunities; underlines, moreover, that labour mobility must go hand in hand with fair and common rules based on the principle of equal treatment; calls on the Commission, in this regard, to monitor the implementation and enforcement of the rules on the free movement of workers; calls on the Commission to analyse brain drains in certain regions and sectors and to support mobile workers by ensuring fair mobility and strengthening the portability of rights and entitlements; calls on the Member States to fully commit to the digitalisation of public services in order to facilitate fair labour mobility, particularly with regard to the coordination of social security systems; asks the Commission, therefore, to put forward an ambitious proposal for a digital EU Social Security Pass;
37. Underlines that the COVID-19 crisis has demonstrated the need to develop a common EU approach on health, including at work; calls for the creation of a European Health Union, which should be based on the principles of solidarity, strategic autonomy and cooperation and ensure that public health considerations are placed at the core of the creation and implementation of all EU policies and activities, as enshrined in the Treaties, including systematic health impact assessments for all the relevant policies; welcomes the ambitious target for zero work-related deaths in the new EU strategic framework for health and safety at work; reiterates the need to include substances toxic

to reproduction within the scope of the Carcinogens and Mutagens Directive²⁹ and to include hazardous medicinal products in Annex 1 thereto in order to better protect healthcare workers;

38. Recalls that principle 15 of the EPSR establishes that workers and the self-employed in retirement have the right to a pension that ensures an adequate income and that everyone in old age has the right to resources that ensure living in dignity;

Synergies between the Semester and NRRPs

39. Underlines that CSRs that contribute to the social objectives established in the RRF Regulation must be taken into account in the NRRPs, and that for NRRPs CSRs have to be interpreted in a way that contributes to the achievement of the regulation's social objectives, including economic, social and territorial cohesion; insists that pursuant to the RRF Regulation, the NRRPs must contribute to achieving the UN SDGs, to implementing the EU growth strategy as set out in the Green Deal, and to fulfilling the principles of the EPSR; recalls that the European Semester cycle for 2021 was temporarily adapted to allow for the launch of the RRF; demands that the Commission be more ambitious in the social dimension and ensure coherence between the CSRs and the general and specific objectives of the RRF Regulation;
40. Recalls that according to the RRF Regulation, reforms and investments 'should lead to the creation of high-quality and stable jobs [and] the inclusion and integration of disadvantaged groups';
41. Stresses that one of the objectives of the RRF Regulation is to foster the creation of high-quality employment; stresses that labour reforms included in the NRRPs have to contribute to improving quality employment; calls on the Commission to analyse labour reforms in the NRRPs on this specific issue; recalls that Article 152 of the Treaty on the Functioning of the European Union provides that the Union recognises and promotes the role of the social partners at its level and must respect their autonomy; warns that the Commission should in no way interfere with national social dialogue processes undertaken in the framework of NRRP reforms;
42. Calls on the Commission to include the social indicators from the European Semester social scoreboard, in particular those related to decent work, social justice and equal opportunities, robust social welfare systems and fair mobility, in the common indicators to be used in the RRF for reporting on progress and monitoring and evaluating the NRRPs, as well as in the methodology for social tracking, including for the Child Guarantee and Youth Guarantee; stresses that Parliament will closely analyse the delegated act that the Commission will bring forward on this matter in order to ascertain whether the social indicators, scoreboard and social methodology comply with the objectives and to verify that there are no objections to be made;
43. Insists that social dialogue is key to ensuring efficient reforms and investments, notably in sectors that will be profoundly altered by the transitions; underlines that the adequate involvement of stakeholders in the preparation and implementation of the NRRPs, such as the national parliaments, local and regional authorities, social partners, NGOs and

²⁹ OJ L 158, 30.4.2004, p. 50.

civil society, will be decisive for their success;

44. Points out that according to the RRF Regulation, gender equality has to be mainstreamed in the preparation and implementation of the NRRPs and that gender reporting and mainstreaming cannot be mixed with social tracking and social investments; believes that gender equality deserves its own mainstreaming methodology in the framework of the RRF and recalls that the European Institute for Gender Equality has developed a suitable methodology; highlights that according to the RRF Regulation, investment in robust care infrastructure is also essential in order to ensure gender equality and the economic empowerment of women, build resilient societies, combat precarious conditions in female-dominated sectors, boost quality job creation, prevent poverty and social exclusion, and advance GDP, as it allows more women to take part in paid work;
45. Calls for the creation of a European care strategy, including a strong gender dimension, which should take a holistic and lifelong approach to care while envisaging specific measures and actions for both formal and informal carers as well as for unpaid care work; calls on the Member States to examine and exchange best practices on how to support societal groups with particular care needs and on how to incorporate periods of care responsibilities within pension schemes, with a view to closing the gender pension gap; points out that according to Eurofound, the share of long-term care workers has increased by a third in the last decade – in stark contrast to the consistently low wages they receive; calls on the Member States to ensure that care workers receive decent pay, as wages in long-term care and other social services are currently 21 % below average³⁰; calls on the Commission and the Member States, in the light of the Long-Term Care Report 2021, to implement reforms that ‘address the common objectives of ensuring good-quality long-term care, accessible and affordable to all, delivered in a financially sustainable way’; calls for effective active labour market and work-life balance policies in order to further safeguard people’s private and family lives, including through the transposition and implementation of the Work-Life Balance Directive³¹, as well as a proposal for a Council recommendation on the provision of care;
46. Highlights that greater investment in health and social care including workers’ wages, working conditions and training is essential to improve recruitment and job retention, and to ensure adequate staffing levels and needs-oriented services; calls on the Commission and the Member States to ensure that a significant amount of investment in the NRRPs is dedicated to improving healthcare, including working conditions and staffing levels, to training needs and increasing key services, to consolidating the provision of basic care, and to supporting long-term care and other public social services; insists that the weaknesses identified in the stress tests of the health and social sectors be addressed through the NRRPs, the next EU programme for health (EU4Health) and the CSRs on these sectors;
47. Stresses that the investment gap for affordable housing amounts to EUR 57 billion per year; calls on the Commission and the Member States to ensure that there is enough adequate and affordable social housing to cover the housing needs of the population and to reduce the housing cost overburden rate; calls on the Commission to include this

³⁰ <https://eige.europa.eu/covid-19-and-gender-equality/unpaid-care-and-housework>

³¹ OJ L 188, 12.7.2019, p. 79.

objective in the CSRs; calls, in this regard, for a reform of the economic governance framework in order to enable the Member States to make the requisite green and social public investments, including those related to the development and improvement of social, public, affordable and energy-efficient housing; underlines that homelessness is one of the most extreme forms of social exclusion; welcomes the launch of the European Platform on Combatting Homelessness and its ultimate objective of ending homelessness by 2030; calls on the Member States to adopt ambitious national strategies with adequate national and EU funding, based on the housing-first principle, to promote the prevention of homelessness and provide access to adequate, safe and affordable housing; urges the Commission to propose a comprehensive antipoverty strategy;

48. Recalls that the RRF Regulation provides that the mainstreaming of equal opportunities for all during the preparation and implementation of the NRRPs should be safeguarded, which is duly explained by rising inequalities in several EU Member States; calls on the Commission to place particular emphasis on monitoring the implementation of the NRRPs to this end, with the aid of the relevant civil society organisations and equality bodies in the Member States;
49. Highlights that the digital and green transformations and investments should also be assessed from a social perspective in order to prevent jobs from being destroyed, the labour market disrupted, and employment polarised due to the destruction of middle-skilled jobs and to ensure that companies' digitalisation and green transition processes are not used as a pretext for labour-saving cost reduction strategies;
50. Stresses that social dialogue and collective bargaining are key instruments for employers and trade unions to establish fair wages and working conditions and that strong collective bargaining systems make the Member States more resilient at times of economic crisis;
51. Demands that the supervision of the Semester include the monitoring of workers' mobility and that workers' rights, especially those of seasonal workers, be respected;
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 - ◦
52. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Another future is possible; time to move beyond GDP is now.

While the COVID-19 pandemic may come to an end, its aftermath is here to stay. Furthermore, we cannot exclude new pandemics emerging as long as we do not address their root causes. In addition, we need to build resilient societies and health and care systems to address future pandemic in a more efficient and fairer way less harmful than covid19 for our economies and citizens.

The pandemic has sent unprecedented shockwaves through our economic and social structures, exposing deep flaws and creating new hazards, notably for future financial stability and for the social fabric. Inappropriate post-crisis macroeconomic governance could easily trap European economies in persistently low growth and high unemployment, with a new risk of secular stagnation or even decline, together with increasing inequalities and democratic disaffection, affecting the future of the EU.

The right economic and governance policies are key for transforming Europe into a continent that cares for the sustainable wellbeing for all, especially at this crucial moment, when we are entering in a new fiscal era worldwide.

In fact, at the macro level of economic governance and policy, this requires a new political compass and new way of measuring economic success, respected institutions across the world are showing that a different approach beyond GDP is possible.

The EU, its institutions and Member States, have to advance in a new policy making, a different set of policy objectives that go beyond GDP growth, implement improved fiscal and economic policies to make sustainable wellbeing for all a reality for all Europeans. The EU needs to add to environmental indicators, economic and social indicators, which takes into consideration the social impact of economic policies and governance.

For that, it is necessary to think about:

- Transforming the Stability and Growth Pact into a European Sustainable Wellbeing Pact;
- Consider the adoption of fiscal standards instead of fiscal rules;
- Protecting investment in sustainable wellbeing through the introduction of a golden rule;
- Establish a meaningful EU fiscal capacity to provide stabilisation for Eurozone economies;
- Continue to push the limits of the EU budget to turn it into a powerful driver of the transition towards sustainable wellbeing for all;
- Establish a European Sovereign Wealth Fund;
- Ensure greater consistency between sustainable wellbeing objectives and monetary policy.

These main objectives, an EU Sustainable Wellbeing Governance, requires another framework. The present cycle of the European Semester has to be changed in order to serve to these new social goals, the social dimension that Porto Summit has highlighted again. A new model of progress needs to be defined for another future, social justice, with a stronger, more resilient, more democratic and more united Europe.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	27.9.2021
Result of final vote	+: 33 -: 14 0: 7
Members present for the final vote	Atidzhe Alieva-Veli, Abir Al-Sahlani, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Jordi Cañas, David Casa, Leila Chaibi, Margarita de la Pisa Carrión, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kypouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Kira Marie Peter-Hansen, Dragoş Pîslaru, Dennis Radtke, Elżbieta Rafalska, Guido Reil, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Vincenzo Sofo, Beata Szydło, Eugen Tomac, Romana Tomc, Marie-Pierre Vedrenne, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tomáš Zdechovský
Substitutes present for the final vote	Alex Agius Saliba, Konstantinos Arvanitis, Johan Danielsson, Gheorghe Falcă, Lina Gálvez Muñoz, Sara Matthieu, Beata Mazurek, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

33	+
NI	Daniela Rondinelli
PPE	David Casa, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Eugen Tomac, Maria Walsh
Renew	Atidzhe Alieva-Veli, Jordi Cañas, Lucia Ďuriš Nicholsonová, Dragoş Pişlaru, Monica Semedo, Véronique Trillet-Lenoir, Marie-Pierre Vedrenne
S&D	Alex Agius Saliba, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Johan Danielsson, Estrella Durá Ferrandis, Lina Gálvez Muñoz, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Marianne Vind
The Left	Konstantinos Arvanitis, Leila Chaibi, Eugenia Rodríguez Palop, Nikolaj Villumsen
Verts/ALE	Katrin Langensiepen, Sara Matthieu, Kira Marie Peter-Hansen, Mounir Satouri

14	-
ECR	Beata Mazurek, Margarita de la Pisa Carrión, Elzbieta Rafalska, Vincenzo Sofo, Beata Szydło
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Elena Lizzi, Guido Reil, Stefania Zambelli
NI	Ádám Kósa
PPE	Radan Kanev
Renew	Abir Al-Sahlani

7	0
PPE	Jarosław Duda, Gheorghe Falcă, Stelios Kympouropoulos, Miriam Lexmann, Dennis Radtke, Romana Tomc, Tomáš Zdechovský

Key to symbols:

+ : in favour

- : against

0 : abstention