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*Committee on Employment and Social Affairs*

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**2021/0227(BUD)**

28.9.2021

# **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2022  
(2021/0227(BUD))

Rapporteur for opinion: Lucia Ďuriš Nicholsonová

PA\_NonLeg

## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. Whereas existing inequalities are widening because of the disproportionate impact of the pandemic on vulnerable groups and findings show that difficulties in making ends meet increased significantly among those already in a precarious situation;<sup>1</sup> Whereas according to latest Eurofound data 23% of minimum wage earners in the Union reported difficulties or great difficulties in making ends meet, compared to 11,5% among the rest of employees and a total of 16% of minimum wage earners lived in materially deprived households, compared to 6% among the rest of employees;<sup>2</sup>
- B. Whereas the COVID-19 crisis and the unintended consequences of lockdown measures risk to jeopardise decades of gains achieved in gender equality with tangible risks of women disengaging from the labour market and of developments reinforcing gender roles; whereas due to the sectoral and occupational segregation, with women being overrepresented in low-paying jobs and part-time work and in sectors highly hit by the COVID-19 pandemic, women are more at risk than other groups of suffering the employment and social fallout of the crisis.<sup>3</sup>
- C. Whereas Eurofound research shows that the capacity of social dialogue needs to be strengthened to address distributional effects and facilitate a just transition and evidence shows that the undesired effects of some climate policies, especially as they affect firms and workers in certain sectors and regions, can be addressed by social partners, and solutions can be achieved through social dialogue and joint initiatives;<sup>4</sup>
- D. Whereas Eurofound COVID-19 survey shows that mental well-being has reached its lowest level across all age groups since the onset of the pandemic over a year ago and this is especially prominent among young people and those who have lost their job;<sup>5</sup>
- E. Whereas the Union and Member States have taken a wide range of actions in order to minimise the impact of the pandemic on businesses, workers and people; whereas the nature of the measures is changing and widening, and to this end measures and instruments that gather and structure information, like Eurofound's COVID-19 EU PolicyWatch database or the European Restructuring Monitor support instruments database, are important to monitor developments and provide evidence on their evaluation;<sup>6</sup>
- 1. Reiterates that the year 2022 will continue to be a critical year and stresses that the social and employment related challenges of the economic downturn caused by the COVID-19 pandemic, has had a disproportional impact on different Member States, different regions and different groups in our society with the most severe impact on the most vulnerable groups and especially

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<sup>1</sup> Eurofound, 2021 - Living, working and Covid 19

<sup>2</sup> Eurofound, 2021, Annual minimum wage

<sup>3</sup> (Eurofound (2020), Women and labour market equality: Has COVID-19 rolled back recent gains?, Publications Office of the European Union, Luxembourg.)

<sup>4</sup> Eurofound, 2021 - Distributional impacts of climate policies in Europe

<sup>5</sup> Eurofound, 2021 - Living, working and Covid 19

<sup>6</sup> COVID-19 EU Policy Watch database, ERM database

affecting the labour market;

2. Demands a strong response for all people, particularly young people, all families, including LGBTIQ families, workers including the self-employed and businesses, particularly SMEs and a social and economically and environmentally sustainable budget that leaves no one behind;
3. Highlights in this regard the crucial role of the Union funds and financial instruments including the Next Generation EU with the Recovery and Resilience Facility (RRF) in addition to the European Social Fund Plus (ESF+), which is the key driver for strengthening the social dimension of the Union and ensuring a socially, economically and environmentally sustainable, just, inclusive and non-discriminatory recovery in line with the principles of the European Pillar of Social Rights (EPSR) and the Green Deal, as well as of the European Globalisation Adjustment Fund for Displaced Workers (EGF) and the Just Transition Fund (JTF);
4. Stresses that these funds and instruments should support activities of all relevant stakeholders, including non-governmental and charitable organisations;
5. Highlights that the budget with a strong social and economically sustainable dimension should help adapting to the imminent labour market changes, preserve and create quality and sustainable employment with full respect of labour rights and decent employment and working conditions, contribute to the eradication of poverty, and reduce social exclusion, inequalities and discrimination, in particular affecting children and youth, boost sustainable growth, and increase upward social convergence even more in a time of unprecedented crisis following the economic downturn caused by the COVID-19 pandemic and the following negative social consequences;
6. Stresses that the crisis has shed light on many existing inequalities, has revealed new forms of discrimination and has worsened the living and working conditions of many people, including workers and their families, particularly vulnerable groups of workers and those working under precarious employment conditions and arrangements and small business owners and the self-employed;
7. Insists on the need to tackle economic, social, intersectional, territorial, generational and regional disparities and inequalities, as the Cohesion Policy must remain one of the priorities in the post-COVID recovery;
8. 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 strengthen our economies and to focus our policy efforts on equal access to quality services in order to improve equal opportunities, quality job creation, entrepreneurship, up- and reskilling and reducing poverty and exclusion; stresses that the extraordinary resources made available to support Europe's recovery are a chance that cannot be missed;
9. Stresses the importance of policies and measures to support labour market transition, progress in technologies and innovation, and to strengthen the competitiveness of our economies particularly when it comes to the digital and green transitions, especially in the context of the COVID-19 crisis and long-standing trends;
10. Stresses the need to adopt ambitious policies for improving the life prospects of the young generation, fighting poverty and social exclusion, including child poverty, and ensuring decent

working conditions and their effective enforcement, employment security, adequate social protection, gender-balanced opportunities, and a working environment adjusted to people with disabilities and fostering a safe environment and well-being for all in the Union;

11. Insists on the need to adopt ambitious lifelong learning and up- and reskilling policies and to recognize skills gained through informal and non-formal learning in order to address the challenges posed by demographic change as well as green and digital transition, including the increased use of artificial intelligence;
12. Highlights in this context the importance of strengthening Union education and training programs in line with the needs of the economy and the society of the future, supporting employers and teachers to train the right skills as well as investing in digital infrastructure;
13. Recalls that the post-COVID recovery of the economy and the labour market must remain a priority;
14. Recalls that non-discriminatory and equal integration into the labour market or the improvement of the position in the labour market of women and of the most vulnerable groups, (such as people experiencing or at risk of poverty and social exclusion, in particular the most deprived, people with disabilities, the Roma and other disadvantaged ethnic minorities, young and elderly people, single parents and the unemployed, in particular the long-term unemployed, as well as self-employed workers and workers in precarious employment), is paramount to create a fair and socially just and inclusive society;
15. Takes note of the Commission proposal to allocate EUR 13,1735 billion in 2022 to the ESF+; highlights that the ESF+ must play a key role in supporting the Member States to foster social inclusion, fight against poverty, achieve high levels of quality employment for all, especially for those farthest from the labour market and particularly creating better opportunities for young people, non-discriminatory and inclusive labour markets, working conditions that allow work-life balance for parents and carers, gender equality, adequate social protection and a skilled and resilient workforce ready for the transition to a green and digital economy;
16. Welcomes the transfer from REACT-EU of an additional EUR 10,8 billion to cohesion in 2022, of which 30 % will be allocated to the ESF +; urges the Member States to quickly deploy these resources to mitigate the social impacts of the crisis; recalls that the REACT-EU resources shall support job creation and quality employment, in particular for people in vulnerable situations, as well as support social systems contributing to social inclusion, anti-discrimination and poverty eradication measures, with a particular focus on child poverty and enhance equal access to social services of general interest, including for children, the elderly, persons with disabilities, ethnic minorities and the homeless (as per REACT-EU Regulation Article 8);
17. Recalls that implementation of the EPSR and the Action Plan to implement the 20 principles of the EPSR will help to address the challenges facing Europe such as digitalisation, green transition and demographic change and will help alleviate the negative effects of the COVID-19 pandemic on health, employment, social and economic aspects;
18. Reiterates that the RRF must contribute to implementation of the EPSR, in order to create stable quality jobs, social cohesion and inclusion; stresses that the reforms from the national plans should be in line with the Porto objectives and with the EPSR and that the Member States should increase investments in area of the social dimension in line with their social reforms in the

labour market, education and skills, social protection and social housing, in particular in those MS where there is an increased need for social measures within the Country Specific Recommendations;

19. Recalls that social dialogue and social partners must be a cornerstone of the Recovery Plan and contribute to the implementation of the EPSR, both at national and Union level, and be systematically involved in the design, implementation and monitoring of national and European Recovery and Resilient Plans; Calls on all the Member States to invest for the capacity building of social partners and civil society organisations, including in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners in the delivery of employment, education and social inclusion policies;
20. Welcomes the Youth Employment Support Package, particularly the reinforced Youth Guarantee (YG) and stresses the need for Member States to implement this by investing relevant Union funds available for their education, training, upskilling and employment;
21. Calls on Member States and the Commission to make combating youth unemployment a priority, in particular as part of the European recovery effort and to make full use of financial instruments such as the YG;
22. Recalls the obligation for all Member States to allocate an appropriate amount of their ESF + resources under shared management to targeted actions and structural reforms to support youth employment, in particular in the context of implementing schemes under the YG and for Member States with a higher share than the average Union rate of young people not in employment, education or training to allocate at least 12,5 % of their ESF+ resources to implement the YG;
23. Calls on the Members States to make the best use of the directly managed strand of the ESF+, the Employment and Social Innovation strand for investment in social innovation and for supporting labour mobility but also preventing brain drain from certain Member States, remote or rural areas;
24. Deplores the fact that in 2019, 22% of all children in the Union were at-risk-of-poverty or severely materially deprived or living in (quasi-)jobless households; stresses that, in the context of recovery from the economic downturn caused by the COVID-19 outbreak, tackling child poverty will become even more important in the coming years; Welcomes the adopted European Child Guarantee aimed at ensuring that every child in Europe at risk of poverty or social exclusion has access to free healthcare, education, early childhood education and care as well as decent housing and adequate nutrition;
25. Recalls that Member States should use the ESF+ resources to efficiently tackle child poverty and underpin targeted actions to combat child poverty in view of supporting the implementation of the Child Guarantee; highlights, in this regard, the importance of Member States' investment of Union funds in combatting child poverty and social exclusion;
26. Encourages Member States to go beyond the minimum requirements of the ESF+, in view of the persistently high levels of child poverty and social exclusion throughout the Union; reiterates its call on the Commission to invest at least EUR 20 billion in the European Child Guarantee in the period 2021-2027 out of which at least 3 billion must be made available in the year 2022;

27. Highlights the important role the revised EGF can play in supporting and reskilling workers made redundant as a result of the economic impacts of the COVID-19 crisis; Recalls that the EGF offers ex-post, temporary, one-off support to displaced workers and self-employed persons to adapt to structural change and return to employment as rapidly as possible in major restructuring events, in particular those caused by significant changes in the trade relations of the Union or the composition of the internal market and financial or economic crisis, the transition to a low-carbon economy or as a consequence of digitisation or automation;
28. Underlines the importance of the simplified application requirements and revised eligibility criteria in the EGF Regulation, lowering the minimum threshold of job displacement from 500 to 200;
29. Highlights that the EGF supports training packages to include skills required in the digital industrial age as well as in a resource-efficient and sustainable economy; calls on the Member States to make use of the opportunities provided by the EGF in case of major restructuring events;
30. Believes Member States should make use of the EGF and widely disseminate information on the possibilities for support to workers and their representatives;
31. Takes note that the level of EGF commitment appropriations in reserve for 2022 is set at EUR 201,3 million (+2% compared to 2021), corresponding to the maximum annual amount envelope of EUR 186 million (2018 prices) available in accordance with Article 8 of the MFF Regulation; Welcomes the alignment of the co-financing rate with the ESF+;
32. Recalls that the JTF provides support to the people, economies and environment of territories facing serious socio-economic and employment challenges deriving from the transition process towards the Union's 2030 targets for energy and climate and a climate neutral economy of the Union by 2050;
33. Highlights that JTF is a key tool for supporting territories most affected by this transition and plays a key role in preventing an increase in regional disparities; highlights that the JTF must focus on the needs of individuals and social well-being and lead to social sustainability by supporting the creation of quality and sustainable jobs, reskilling of workers, and supporting social infrastructure for the purpose of child and elderly care facilities so no one is left behind; takes note of the Commission appropriations in 2022 of EUR 1 159,749 million;
34. Highlights the broadening of its scope to address the social aspects of the transition, in particular support to jobseekers, including job search assistance, upskilling and reskilling and their active inclusion into jobs as well as investments in smart and sustainable mobility, other activities in the areas of inclusive education training and labour market adaptation with a specific accent on green and digital employment and social inclusion, including support for social infrastructure for the purposes of training centres, child, elderly- and disability- care facilities and the possibility to support sustainable investments pursuant to regional State aid guidelines, if such support is necessary for quality and sustainable job creation in the identified territory;
35. Recalls that the Fund for European Aid to the Most Deprived (FEAD) has been integrated in ESF+ and welcomes that, in 2022, at least 3 % of the ESF+ budget shall be spent on food aid and basic material assistance, together with accompanying measures for the most deprived persons, with a co-financing rate of 90% since the current crisis hits the most deprived the



hardest;

36. Acknowledges that the Member States are projected to reach their pre-crisis level of quarterly output by the end of 2022; warns that for the recovery to be sustainable, it is essential that quality jobs are created also for the medium and low skilled workers and especially for women, as it has been shown that they are essential for the resilience of our societies and economies;
37. Recalls that women are more widely affected by the pandemic in terms of health risks, pre-existing employment inequalities and care responsibilities and strongly promotes gender responsive budgeting and increased funding to support measures for the promotion of equality and equal access to the labour and to have comprehensive systems to monitor and measure gender budget allocations; acknowledges that most of the sectors which have been hardest hit by the COVID-19 crisis were feminised and essential sectors, many of which have precarious working conditions, and that special efforts should be made during the recovery period to improve employment conditions in those sectors;
38. Highlights that addressing the socio-economic dimension of environmental policy and climate action not only constitutes basic fairness, but also creates opportunities to realise broader wellbeing gains for all and create virtuous circles; believes that, if well designed, green and digital investments have a great potential for quality job creation and reduction of inequalities and that the transition to a new distribution of care needs to be added;
39. Calls on the Member States for the greater mobilisation of ESF+ and JTF resources and to combine them with national and local investment in order to tackle social exclusion, energy poverty, and material deprivation, to effectively counter the digital gap and digital exclusion, especially in rural areas and among the young, the elderly and persons with disabilities, and to secure access to digital tools and programmes and to affordable communication infrastructures;
40. Recalls that COVID-19 pandemic has once again exposed the lack of policy responses to the impact of demographic change in the Union, such as the lack of adequate and affordable housing, quality care facilities and sufficient care and support services; stresses that the budget 2022 should underline the importance of safeguarding and promoting the dignity of the elderly and their fundamental rights in the Union; calls, furthermore, for sufficient funding to support investment in housing in order to tackle effectively the growing problems of a lack of affordable housing, poor housing conditions, housing exclusion and homelessness;
41. Insists on the importance of budgetary accountability and prioritisation; welcomes in this regard the Commission Communication on the performance framework for the 2021-2027 MFF; stresses that in order to deliver true value for money for the people in the Union, the focus should be put on evidence-based and future-proof policymaking; to this end, considers it important to involve social partners and civil society organisations into the monitoring and evaluation of programmes; recalls that gender budgeting is key to ensure a sustainable, just and inclusive economy;
42. Strongly believes that gender and disability inclusive budgeting must be mainstreamed in the 2022 general budget to better align policies and activities that promote the equal participation of women and people with disabilities in the labour market and to have comprehensive systems to monitor and measure such budgetary allocations in line with the Union's commitments under the European Gender Equality and Disability Rights Strategies and the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD);



43. Recalls that it is important that local administrations are able to receive and manage a significant part of Union funds, as they are the public entities closest to European citizens;
44. Stresses that pilot projects (PPs) and preparatory actions (PAs) are important tools to test new policy initiatives in the fields of employment and social inclusion and inclusive equality, including through data collection that has already translated into a number of successful initiatives; recalls that the assessment of their implementability is formally anchored in the Interinstitutional agreement of 2 December 2013 and in practice, is meant to ensure that Parliament adopts PPs/PAs that are legally and technically implementable; highlights, therefore, that the evaluation must be thorough, detailed as well as transparent and objective and that the grade given must reflect only the merit of the proposal; also points out that the implementation of an adopted PP/PA must remain transparent and in line with their adopted objectives and recommendations of the proposal; Calls on the European Commission to establish direct communication and exchanges with the European Parliament in order to ensure reasonable evaluations of the PP/PA;
45. Recalls that the agencies and especially the European Labour Authority (ELA) play an important role in providing Union institutions and the Member States with specialised knowledge and expertise notably on employment and social issues and facilitating fair labour mobility; stresses that they must be given the necessary resources to fulfil their tasks which are constantly evolving; insists, in particular, on a proper staffing and financing of the new ELA in accordance with the financial statement;
46. Stresses that adequate financial means should be made available to ensure the correct and ambitious application and enforcement of occupational safety and health strategic framework; to this end calls for an increased funding for EU-OSHA to cope with the new challenges and to fulfil the new tasks; reiterates that labour inspectorates should be strongly involved, both in enforcement of OSH measures aimed at preventing COVID-19 infection as well as in developing guidance and assistance to employers and workers and that particular attention should be given to high-risk sectors, such as healthcare, services, education and transport;
47. Stresses that during the pandemic there is a significant risk of suffering mental health problems and poor mental well-being that would be exacerbated by both job loss and job insecurity and is of the opinion that people will need extra support in getting back to normal and in coping with the issues brought on by the pandemic and calls on the Member States to pay attention to ways of mitigating mental health risks in the case of further waves of the COVID-19;
48. Recalls that the transition to a digital economy, which delivers for decent working conditions and fully respect labour rights, will require investments to adapt industrial production facilities, improve related infrastructures, connectivity, network security, and the future organisation of work, as well as investment in new ways to deliver social and organisational support to workers; calls in this regard for adequate resources to ensure the right to disconnect for all workers in the Union as well as adequate teleworking conditions including psycho-social and ergonomic rules.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	27.9.2021
<b>Result of final vote</b>	+: 42 -: 5 0: 7
<b>Members present for the final vote</b>	Atidzhe Alieva-Veli, Abir Al-Sahlan, 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, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ādám Kósa, Stelios Kypourouopoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Kira Marie Peter-Hansen, Dragoş Pişlaru, 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
<b>Substitutes present for the final vote</b>	Alex Agius Saliba, Konstantinos Arvanitis, Johan Danielsson, Lina Gálvez Muñoz, Sara Matthieu, Beata Mazurek, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
NI	Ádám Kósa, Daniela Rondinelli
PPE	David Casa, Jarosław Duda, Gheorghe Falcă, Loucas Furlas, Cindy Franssen, Helmut Geuking, Radan Kanev, Stelios Kypouropoulos, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Jordi Cañas, Lucia Ďuriš Nicholsonová, Dragoș Pîslaru, 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

5	-
ECR	Margarita de la Pisa Carrión
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Guido Reil

7	0
ECR	Beata Mazurek, Elżbieta Rafalska, Vincenzo Sofo, Beata Szydło
ID	Elena Lizzi, Stefania Zambelli
Renew	Abir Al-Sahlani

Key to symbols:

+ : in favour

- : against

0 : abstention