

Main activities of the Committee on Employment and Social Affairs 2019-2024

SUMMARY

The European Parliament, the Council and the European Commission proclaimed the European Pillar of Social Rights in 2017. Spelled out in 20 principles, the social pillar has since served as a compass towards building a stronger social Europe. In the related action plan, the Commission set out concrete initiatives and, after the Porto Social Summit of May 2021, EU lawmakers committed to headline targets for 2030 regarding employment, training, and poverty.

Consequently, this legislative term has seen concrete steps towards implementing the pillar, with the Commission tabling a number of proposals for recommendations and several directives that were subsequently negotiated by EU lawmakers and where Parliament sought to assert its positions. The preparatory work for these negotiations was done by Parliament's Committee on Employment and Social Rights (EMPL), alone or together with other parliamentary committees.

Without attempting a thorough end-of-term overview or an in-depth analysis of achievements, this briefing sketches out Parliament's main activities in this legislative term that bear the signature of the EMPL committee. After a glimpse at successfully concluded legislative files relating to the world of work, equality between men and women, health and safety at work, skills and EU funding, it looks at legislative own-initiative resolutions and demands put forward by the EMPL committee. With the European elections approaching and several files still ongoing, the time has also come to look forward to some EMPL-related issues that are likely to fill the agenda of the next legislative term.

Owing to space constraints, this text cannot do justice to the broad variety of challenges to which the EMPL committee has devoted its energy and expertise, leaving aside, for instance, the work done in relation to the integration of third-country nationals into the labour market and the equal treatment of persons with disabilities. Nor does it examine in detail the dynamics of Parliament's resolutions that help to push social issues into the EU political spotlight.



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Introduction

The 2021 <u>European Pillar of Social Rights action plan</u> set three headline targets for 2030: at least 78 % of people aged 20-64 in employment, at least 60 % of adults in training, and 'a reduction of at least 15 million in the number of people at risk of poverty or social exclusion'. Delivering the social pillar is a shared responsibility for the EU institutions, national, regional and local authorities, social partners and civil society. Monitoring of the pillar has been integrated into the coordination of socioeconomic policy under the <u>European Semester</u>. Reflecting the comprehensive nature of the social pillar, a number of EU initiatives have been proposed and agreed upon, with Parliament's involvement where required.

Key legislative files successfully concluded

Key among the files that have been concluded with the adoption of new rules related to the **word of work**, the 2022 directive on <u>minimum wages</u> establishes procedures to ensure the adequacy of statutory minimum wages, where these exist, and improves access to minimum wage protection for those workers who are entitled to a minimum wage under national law. It also promotes collective bargaining on wage setting.

Several major steps towards **equality between men and women** in the EU have been <u>achieved</u>. The 2019 directive on <u>work-life balance for parents and carers</u> (proposed in 2017) aims to increase the participation of women in the labour market, the take-up of family-related leave and flexible working arrangements. It also provides opportunities for workers to take leave to care for relatives who need support. The 2022 directive on <u>women on boards</u> (proposed in 2012) addresses the imbalance between women and men in economic decision-making at the highest level of companies. The principle of '<u>equal pay for equal work</u> or work of equal value' – an EU right since 1958 – has been strengthened with the 2023 directive on <u>pay transparency</u>. The new rules oblige EU companies to share information on salaries and take action if their gender pay gap exceeds 5 %. The directive includes provisions on compensation for victims of pay discrimination and penalties, including fines, for employers who break the rules.

In terms of **health and safety at work**, an area where EU rules have had a significant impact, the existing legal framework has been updated with the <u>fourth</u> set of rules to protect workers from the risks related to exposure to carcinogens or mutagens at work to which reprotoxic substances have been added. Despite being banned in the EU since 2005, asbestos still presents risks to workers, which were highlighted by the Green Deal renovation wave. Following Parliament's call for action in 2021, new rules were proposed and adopted in 2023 to ensure more robust protection of workers from <u>asbestos</u> by reducing the exposure limits and providing for more accurate ways to measure exposure levels. New limit values for <u>lead and diisocyanates</u> are being finalised as part of the fifth update of EU rules on carcinogens, mutagens or reprotoxic substances and of the EU rules on chemical agents.

As regards **funding**, Parliament has systematically sought to ensure adequate support to those who need it most. For instance, Parliament ensured that, under the European Social Fund Plus (<u>ESF+</u>), Member States have to allocate a guaranteed <u>share of resources</u> to improving the situation of children at high risk of poverty, to combating extreme poverty and to achieving social inclusion. It also negotiated <u>improvements</u> to the renewed <u>European Globalisation Adjustment Fund</u> to help people who have lost their jobs because of globalisation to retrain and find other quality employment. To complement the green and digital transitions spelled out in the <u>European Green Deal</u>, Parliament insisted on adequate funding support under the <u>Just Transition Fund</u> for the territories most affected by the transitions, and for support under the <u>Social Climate Fund</u> to vulnerable households, micro-enterprises and transport users that are particularly affected by energy and transport poverty.

As the EU workforce gears up for the digital and green transitions and closing the existing **skills** gaps and mismatches has become vital, European Commission President Ursula von der Leyen

proposed to make 2023 the <u>European Year of Skills</u>. Parliament was successful in changing the timing of the Year of Skills to a full year, running until May 2024, and in enlarging the scope of the measures included.

Legislative own-initiative resolutions and demands put forward by EMPL

In response to Parliament's 2021 call for a <u>comprehensive strategy for asbestos</u> removal, the Commission has put forward a directive to ensure worker protection (see above) and has announced a new initiative on the <u>screening and registration of asbestos</u> in buildings, making use of digital registries.

Since 2015, Parliament had called for a child guarantee scheme to combat child poverty and exclusion; in 2019, it demanded additional resources to implement the scheme. The <u>European Child Guarantee</u> was adopted as a 2021 Council recommendation. The EMPL Committee monitors the Child Guarantee and keeps it on the political agenda with further <u>resolutions</u>.

To ensure that EU employees of large multinational companies receive information and have dialogue with central management on significant decisions, Parliament called for a <u>revision of the European Works Council Directive</u> to include timely and meaningful consultation, end exemptions for pre-directive agreements, set tougher penalties and ensure that <u>European works councils</u> have access to national justice. In January 2024, the Commission put forward a <u>revised directive</u>.

In the post-pandemic context, considering the <u>right to disconnect</u> to be a fundamental right, Parliament called for a directive setting minimum standards and conditions for workers. European social dialogue negotiations were launched in June 2022, only to fail a year later, following which the Commission has promised to initiate <u>legislative action</u>.

In <u>June 2023</u>, Parliament called for a directive on minimum requirements for quality standards and adequate remuneration for <u>traineeships</u>, and for a decision to strengthen the existing framework for traineeships, with more binding rules for EU countries. The Commission <u>confirmed</u> that an initiative updating the current framework for traineeships would be presented shortly.

Finally, in November 2023, Parliament called for the establishment of a <u>Union framework</u> on the social and professional situation of artists and other professionals in the cultural and creative sectors (CCS) in order to improve their social and professional situation.

Ongoing files

Following a pilot project conducted in eight EU countries, the Commission proposed a directive establishing a <u>European Disability Card</u> and the European Parking Card for persons with disabilities. With unanimous support from EMPL, new rules are to be <u>finalised</u> shortly, to facilitate travel in the EU for persons with disabilities. An extension to third-country nationals is also under <u>consideration</u>.

The directive on improving <u>working conditions of digital platform workers</u>, soon to be finalised, will set <u>rules</u> to facilitate the correct determination of platform workers' employment status and improve transparency, fairness and accountability in algorithmic management in the workplace.

To strengthen the role of national <u>equality bodies</u>, the Commission proposed two directives setting new standards in 2022. Identical in terms of substance, the two proposals build on different legislative bases: one concerns equality between men and women in employment and implies an ordinary legislative procedure; the other concerns equality in terms of sex, racial or ethnic origin, religion or belief, disability, age and sexual orientation and requires only Parliament's consent, with no interinstitutional negotiations. The Council and Parliament have already reached an agreement on the first file. While the Council introduced identical changes to both proposals, the fact that one directive reflects input negotiated with Parliament and the other does not could potentially hinder the proper functioning of equality bodies.

The Commission proposed to revise the <u>coordination of social security systems</u> in 2016 (<u>Regulation 883/2004</u>). Following difficult negotiations, a provisional agreement was reached between the Council and Parliament, only to be rejected by Coreper in March 2019. Another partial agreement was reached in December 2021. In January 2024, when most Member States seemed to support the Belgian presidency's idea to split the regulation and conclude only the four chapters where consensus already exists, Parliament <u>rejected</u> this approach. While compensation for unemployed cross-border workers and the determination of applicable legislation remain the sticking points, the fate of the file is unclear.

Legislative work is still ongoing on Commission proposals to update the <u>statistics on population and housing</u>, as well as the <u>labour market statistics</u> on businesses, but also on broader measures related to Europe's <u>manufacturing of net-zero technology products</u>, with numerous impacts on workers.

State of play and outlook

Taking stock of the <u>progress</u> achieved two years after the Porto Social Summit of May 2021, Parliament <u>called</u> on the Commission to do more to dovetail the European Pillar of Social Rights action plan with related strategies¹ and to present a legal framework to anticipate and manage changes related to the green and digital transitions in the world of work. In its annual European Semester monitoring, Parliament advocates for <u>improvements</u> to employment and social priorities.

In the context of the continued support to Ukraine, fast international developments with uncertain outcomes and sharpening climate issues, the need to secure adequate funding for EU programmes supporting employment and social policies in the next <u>long-term EU budget</u> is vital. The uncertainties surrounding <u>repayment</u> of the EU economic recovery debt (<u>NextGenerationEU</u>) and the related issue of EU <u>own resources</u> may sharpen the debate further.

The prolonged cost-of-living crisis is likely to keep the issue of growing inequality high on the political agenda, along with the related issues of tackling poverty, ensuring <u>adequate minimum income</u> and increasing the provision of affordable housing. The ongoing green and digital transitions are likely to keep the spotlight on the need to ensure that enough people have the right skills and that artificial intelligence serves labour markets without harming workers.

ENDNOTE

¹ The Commission has outlined a common EU approach in strategies concerning the <u>rights of persons with disabilities</u>, <u>rights of the child</u>, the <u>Roma</u> people, <u>gender equality</u> and <u>LGBTIQ</u> equality, <u>health and safety at work</u> and <u>care</u>.

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