



Европейски парламент Parlamento Europeo Evropský parlament Europa-Parlamentet Europäisches Parlament  
Euroopa Parlament Ευρωπαϊκό Κοινοβούλιο European Parliament Parlement européen Parlaimint na hEorpa  
Europski parlament Parlamento europeo Eiropas Parlaments Europsos Parlamentas Európai Parlament  
Parlament Ewropew Europees Parlement Parlament Europejski Parlamento Europeu Parlamentul European  
Európsky parlament Evropski parlament Euroopan parlamentti Europaparlamentet

## **SOCIAL AND EMPLOYMENT POLICY: GENERAL PRINCIPLES**

European integration has led to significant social developments over the years. An important milestone came in 2017, when Parliament, the Council and the Commission proclaimed the European Pillar of Social Rights and reaffirmed their commitment to ensuring better living and working conditions throughout the EU. The related action plan of 2021 set out concrete initiatives to turn this commitment into reality.

### **LEGAL BASIS**

Article 3 of the Treaty on European Union (TEU), and Articles 9, 10, 19, 45-48 and 145-161 of the Treaty on the Functioning of the European Union (TFEU).

### **OBJECTIVES**

Article 3 TEU lays down that the Union has the duty to aim at full employment and social progress. The promotion of employment, improved living and working conditions, proper social protection, dialogue between management and other members of staff, the development of human resources with a view to ensuring lasting high employment and the combating of exclusion are the common objectives of the EU and its Member States in the social and employment field, as described in Article 151 TFEU.

### **ACHIEVEMENTS**

#### **A. From the Treaty of Rome to the Maastricht Treaty**

In order to allow workers and their families to take full advantage of the right to move and seek employment freely throughout the common market, the Treaty of Rome (EEC Treaty, 1957) provided for the coordination of the Member States' social security systems. It enshrined the principle of equal pay for men and women, which the European Court of Justice recognised as being directly applicable, and provided for the establishment of the European Social Fund (ESF) ([2.3.2](#)).

The Single European Act (SEA, 1986) introduced new policy areas with qualified majority voting, including health and safety at work, social dialogue between employers' organisations and trade unions and economic and social cohesion.

A consensus grew around the need to pay more attention to the social factors connected with the completion of the internal market. Following long debates, the Community Charter of the Fundamental Social Rights of Workers (Social Charter)



was adopted at the Strasbourg Summit in December 1989 by the Heads of State or Government of 11 Member States, with the United Kingdom opting out.

## **B. From the Amsterdam Treaty to the Treaty of Lisbon**

The inconvenience of having a double legal basis, created by the UK opt-out, was finally overcome with the signing of the Amsterdam Treaty (1997), when all the Member States, including the UK, agreed to incorporate the Agreement on Social Policy into what would later become the TFEU (Articles 151-161). In Article 153, the co-decision procedure replaced cooperation and was extended to provisions relating to the ESF (2.3.2), the free movement of workers and social security for Community migrant workers (2.3.4). The new Article 19 conferred on the Council the ability to 'take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation'. On this basis, two directives were adopted shortly afterwards: Directive 2000/43/EC on equal treatment between persons irrespective of racial or ethnic origin and Directive 2000/78/EC on a general framework for equal treatment in employment and occupation.

The Amsterdam Treaty also included the promotion of a high level of employment among the EU objectives and conferred on the Community a responsibility to support and complement the activities of the Member States in this area, including by developing a 'coordinated strategy', namely the European employment strategy (EES) (Articles 145-150 TFEU), based on an open method of coordination (2.3.3).

The year 2000 saw the adoption, at the Nice Summit, of the Charter of Fundamental Rights of the EU. An **Employment Committee** operating within the policy framework of the EES and a Social Protection Committee were created to promote cooperation between the Member States and the Commission (Article 160 TFEU) on employment and social protection policies, but all proposals to expand the co-decision procedure were rejected.

In the light of the mid-term review of the Lisbon strategy in 2005, the employment guidelines adopted as part of the EES were incorporated into the integrated guidelines for growth and jobs.

In 2007, the European Globalisation Adjustment Fund was created to provide support for workers made redundant as a result of changing global trade patterns (2.3.2).

The 2007 Treaty of Lisbon allowed for further progress in consolidating the social dimension of European integration. The TEU now emphasises the EU's social objectives, including full employment and solidarity between generations (Article 3). Article 6 recognises the Charter of Fundamental Rights as having the same binding force as the Treaties. The Charter itself recognises so-called solidarity rights, such as the right of workers to information and consultation, as well as collective bargaining, fair and just working conditions, social security and social assistance. A horizontal social clause was introduced into the TFEU, requiring the EU to fulfil the above-mentioned social objectives when defining and implementing its other policies and activities (Article 9).



### C. Developments since the Lisbon Treaty

Adopted in 2010 against the background of the financial and economic crisis, the Europe 2020 strategy established inclusive growth – fostering a high-employment economy that delivers social and territorial cohesion – as one of its priority areas. The strategy also set five headline targets, including a landmark social objective (reducing the risk of poverty for at least 20 million people by 2020), and a renewed commitment to employment (a target of 75% employment for the 20-64 age group). Seven flagship initiatives were set up to help achieve those targets, including an agenda for new skills and jobs, which focused on revamping flexicurity policies, and the European platform against poverty and social exclusion (2.3.9). The progress of these initiatives was monitored within the annual cycle of EU economic governance: the European Semester. In response to increasing poverty levels, the Fund for European Aid to the Most Deprived was established in 2014. It provides food and basic material assistance, together with social inclusion activities.

On 26 April 2017, the Commission presented the European Pillar of Social Rights (EPSR), which sets out 20 key principles and rights to support a renewed process of convergence towards better living and working conditions. These are divided into three categories: (i) equal opportunities and access to the labour market, (ii) fair working conditions, and (iii) social protection and inclusion. At the Social Summit in Gothenburg in November 2017, Parliament, the Council and the Commission highlighted their shared commitment by adopting a common proclamation on the EPSR. The EPSR is accompanied by a ‘social scoreboard’ to monitor progress (2.3.9).

In 2019, the European Labour Authority was established, with its seat in Bratislava. Its main purpose is to help the Member States and the Commission to ensure that EU rules on labour mobility and social security coordination are enforced in a fair, simple and effective way.

In the same year, several important acts were adopted. Directive (EU) 2019/1158 on work-life balance for parents and carers aims to improve access to family leave and flexible work arrangements, further enhancing equality between men and women in the labour market. Directive (EU) 2019/1152 on transparent and predictable working conditions aims to provide workers with an additional set of basic rights, such as the right to more specific information on the essential aspects of their work, setting a limit on the length of probationary periods, increasing opportunities to seek additional employment by banning exclusivity clauses, advance notification of the reference hours and the provision of free mandatory training. The Council recommendation on access to social protection for workers and the self-employed aims to close formal coverage gaps.

After the outbreak of the COVID-19 pandemic, several measures were adopted to address the employment and social consequences of the crisis, such as the Coronavirus Response Investment Initiatives (CRII and CRII+) and the temporary Support to mitigate Unemployment Risks in an Emergency (SURE). Furthermore, the Cohesion’s Action for Refugees in Europe (CARE) was launched and pre-financing using resources from the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) programme was increased to support the Member States and



regions in providing emergency assistance to people fleeing Ukraine following Russia's invasion.

On 3 March 2021, the Commission issued an [EPSR action plan](#) setting out concrete initiatives that it is committed to undertaking during the current mandate (until the end of 2024). It also proposed headline targets for 2030, namely bringing the proportion of people aged 20 to 64 in employment up to at least 78%, increasing the percentage of adults who participate in training every year to at least 60%, and reducing the number of people at risk of poverty or social exclusion by at least 15 million. On 7 and 8 May 2021, leaders at the Porto Social Summit reaffirmed their commitment to those headline targets. This involved the adoption of the [Porto Social Commitment](#) by various institutions and organisations, including Parliament, and of the [Porto declaration](#) by EU Heads of State or Government. The related national targets were presented in June 2022. The implementation of these targets will be facilitated by the revised social scoreboard, funding via the 2021-2027 multiannual financial framework and NextGenerationEU, in particular the [Recovery and Resilience Facility](#), and monitoring under the European Semester.

In the same year, the Council recommendation on establishing a European Child Guarantee was adopted to prevent and combat social exclusion by guaranteeing the access of children in need to early-childhood education and care, education, healthcare, nutrition and housing. Within the European Social Fund Plus (ESF +) 2021-2027, all Member States have to allocate an appropriate amount to combating child poverty, while Member States that have a rate of children at risk of poverty or social exclusion higher than the EU average are required to earmark 5% of the ESF + for this purpose.

As a tool to fight in-work poverty, [Directive \(EU\) 2022/2041](#) on adequate minimum wages in the EU establishes requirements to ensure that minimum wages as provided for by national law and/or collective agreements are sufficient, and enhances the effective access of workers to minimum wage protection. Setting a minimum wage remains a national competence but the Member States have to guarantee that their national minimum wages allow workers to lead a decent life.

The [Council recommendation on minimum income ensuring active inclusion](#) aims to combat poverty and social exclusion and to pursue high levels of employment by promoting adequate income support by means of minimum income, effective access to enabling and essential services for persons lacking sufficient resources and by fostering the integration into the labour market of those who can work.

## **ROLE OF THE EUROPEAN PARLIAMENT**

Although Parliament's role has long been a purely consultative and supervisory one, it has always been active in the development of EU action in the field of employment and social policy. Since the early stages of European integration, Parliament has repeatedly called for a more active social policy, so as to reflect the EU's increasing importance on the economic stage, and has supported the Commission's different proposals in this area. Parliament's close involvement in the preparation of the Treaty of Amsterdam



ensured the incorporation of the Agreement on Social Policy and the insertion of an employment chapter.

When the Lisbon strategy was being developed, Parliament insisted that employment and social considerations should play a role in the design of growth strategies and asserted that a high level of social protection should be central to the Lisbon strategy. It also took the view that the Lisbon strategy did not set sufficiently binding targets in the social sphere, and called on the Member States to closely monitor the employment and social impact of the reforms implemented as part of the Europe 2020 strategy. While debating the 2007-08 financial crisis, Parliament called for an EU commitment to preserving European social models and a strong social Europe.

Parliament has repeatedly insisted on incorporating the employment and social goals more effectively into the European Semester, namely by making social indicators binding and extending indicators to cover child poverty and decent work.

Parliament has been critical of measures, such as economic adjustment programmes, taken without its involvement. In March 2014, it stated that only genuinely democratic institutions should steer the political process of designing and implementing adjustment programmes for countries in severe financial difficulties.

Parliament has also confirmed its commitment to social values in deciding on the use of financial resources from the EU budget. It is thanks to Parliament that in the 2014-2020 programming period, the ESF ([2.3.2](#)) accounted for 23.1% of total EU cohesion funding, and 20% of each Member State's ESF allocation had to be spent on combating social exclusion. Similarly, for the 2021-2027 ESF+, Parliament introduced provisions to ring-fence more funding for food and material aid, adequate funding for capacity building for social partners, and safeguards to ensure that projects funded by the EU fully respect fundamental rights.

Parliament had a pivotal role in creating the European Child Guarantee. In 2015, it called for a guarantee that would help provide every child in Europe at risk of poverty or social exclusion with access to free healthcare, education, early-childhood education and care, decent housing and adequate nutrition. In 2017, Parliament requested the Commission to implement a preparatory action on establishing a possible child guarantee scheme, paving the way for this instrument.

In its resolution on the 2016 European Semester, Parliament called on the Commission and the Member States to take action to boost upward social convergence in the EU. It also called on the Commission to define and quantify its concept of social fairness. In its resolution on the employment and social priorities of the 2023 European Semester, Parliament called on the Commission to develop an economic governance architecture based on solidarity, integration, social justice and convergence, gender equality, high-quality public services, including a quality public education system for all, quality employment and sustainable development.

In its resolution on the EPSR, while fully embracing the Commission's initiative in this field, Parliament underlined the importance of enforcing a core set of rights for everyone and called on the social partners and the Commission to work together to present a proposal for a framework directive on decent working conditions.



On 4 July 2017, Parliament adopted a resolution on working conditions and precarious employment, recognising the growing popularity of non-standard, atypical forms of employment. It highlighted this issue again in its resolution of 22 October 2020, noting that workers in non-standard forms of employment bore the brunt of the fallout from the COVID-19 crisis, often slipping through the net of Member States' measures.

In 2020, Parliament set out its priorities for a strong social Europe for just transitions, including calling for the integration of the EPSR and of a social progress protocol into the Treaties, and calling on the Member States and the Commission to adopt an ambitious 'Porto 2030 agenda' with binding social targets.

In 2021, against the continued backdrop of the COVID-19 pandemic, Parliament called for an EU law granting workers the right to digitally disconnect from work outside their working hours. In the context of Russia's war of aggression against Ukraine, Parliament [expressed](#) concerns about the serious social and employment effects of the crisis, especially for young people. It also supported a shift towards a sustainable, inclusive and resilient growth model that supports upward social convergence and strengthens the sustainable development and resilience of the EU's economy and societies.

For more information on this topic, please see the website of the [Committee on Employment and Social Affairs](#).

Monika Makay  
10/2023

