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*Plenary sitting*

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**A9-0040/2022**

3.3.2022

# REPORT

on the European Semester for economic policy coordination: employment and social aspects in the annual sustainable growth survey 2022 (2021/2233(INI))

Committee on Employment and Social Affairs

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the European Semester for economic policy coordination: employment and social aspects in the annual sustainable growth survey 2022 (2021/2233(INI))**

*The European Parliament,*

- having regard to the Commission communication of 24 November 2021 on the Annual Sustainable Growth Survey 2022 (COM(2021)0740),
- having regard to the Commission proposal of 24 November 2021 for a joint employment report from the Commission and the Council (COM(2021)0743),
- having regard to the Commission recommendation of 24 November 2021 for a Council recommendation on the economic policy of the euro area (COM(2021)0742),
- having regard to the Commission report of 24 November 2021 entitled ‘Alert Mechanism Report 2022: prepared in accordance with Articles 3 and 4 of Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances’ (COM(2021)0741),
- having regard to the Commission communication of 24 November 2021 entitled ‘The 2022 Draft Budgetary Plans: Overall Assessment’ (COM(2021)0900),
- having regard to the Commission communication of 1 July 2020 on a European Skills Agenda for sustainable competitiveness, social fairness and resilience (COM(2020)0274),
- having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup>,
- having regard to the Commission European Economic Forecast Autumn 2021,
- having regard to the Commission communication of 30 September 2020 on achieving the European Education Area by 2025 (COM(2020)0625),
- having regard to the Commission communication of 30 September 2020 entitled ‘Digital Education Action Plan 2021-2027: Resetting education and training for the digital age’ (COM(2020)0624),
- having regard to the Commission’s proposal for a Council recommendation on individual learning accounts (COM/2021/773),
- having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate

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<sup>1</sup> OJ L 57, 18.2.2021, p. 17.

unemployment risks in an emergency (SURE) following the COVID-19 outbreak,

- having regard to the Commission communication of 5 March 2020 entitled ‘A Union of Equality: Gender Equality Strategy 2020-2025’ (COM(2020)0152),
- having regard to the non-paper by Austria, Bulgaria, Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, Malta, the Netherlands and Sweden<sup>2</sup>, containing input for the declaration of the Porto Social Summit,
- having regard to its resolution of 20 October 2021 on employment and social policies of the euro area 2021<sup>3</sup>,
- having regard to the Declaration of Astana on Primary Health Care of 2018,
- having regard to the European Pillar of Social Rights (EPSR), proclaimed by the European Council, Parliament and Commission in November 2017,
- having regard to the Action Plan for the Social Economy of 9 December 2021,
- having regard to Rule 54 of its Rules of Procedure,
- having regard to the report of the Committee on Employment and Social Affairs (A9-0040/2022),

- A. whereas the European Semester policy coordination and the Member States must respect applicable and relevant Union rules on sound public finances; whereas the European Semester provides a common framework for the supervision and coordination of economic, budgetary and employment policies across the EU Member States in order to ensure sound and sustainable public finances, to ensure macroeconomic stability, to support structural reforms and to boost investment, including for the twin green and digital transitions; whereas the Semester has also taken account of the creation of the Recovery and Resilience Facility (RRF) which will drive Member States' reforms and investments in line with the EU's priorities as set out in its six pillars, while addressing the challenges identified in forthcoming country-specific recommendations; whereas it aims for a gradual shift of economic policy coordination from dealing with the COVID crisis to laying the foundations for an inclusive recovery and stronger resilience<sup>4</sup>; whereas the European Semester, as part of the EU's economic governance framework, must adapt in order to consider not only economic and social objectives, but also the objectives related to the green and digital transitions, consolidation of health systems, and access and opportunity for children and youth;
- B. whereas it is crucial to ensure that the Semester coordinates and monitors Member States' efforts to deliver on the principles of the EPSR, in particular the EU headline targets ensuring that by 2030 at least 78 % aged 20 to 64 should be in employment, at

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<sup>2</sup> <https://www.government.se/articles/2021/04/social-summit-non-paper-by-austria-bulgaria-denmark-estonia-finland-ireland-latvia-lithuania-malta-the-netherlands-and-sweden/>

<sup>3</sup> Texts adopted, P9\_TA(2021)0426.

<sup>4</sup> [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/2022-european-semester-cycle\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/2022-european-semester-cycle_en)

least 60 % of all adults should participate in training every year and that the number of people at risk of poverty or social exclusion should be reduced by at least 15 million, including at least 5 million children; whereas the 2022 Joint Employment Report has a stronger focus on the implementation of the EPSR, in line with the commitments of the Action Plan of March 2021 and by the EU Leaders in the Porto Declaration of 8 May 2021; whereas the implementation of the Semester should strengthen the Union's drive towards a green, digital and just transition and contribute to achieving upward social and economic convergence, addressing the demographic challenges, and to the achievement of the Sustainable Development Goals (SDGs);

- C. whereas the EU is founded on the fundamental values of the Treaties, such as respect for human dignity, equality and human rights; whereas its Member States have committed to upholding these values and to implementing the Paris Agreement, the UN SDGs and the EPSR; whereas the deep economic and social impact of the ongoing COVID-19 pandemic, including the particular impact on children and youth, vulnerable groups and workers that will be most impacted by the economic downturn following the COVID-19 pandemic and the structural transformations of the European economies linked to the twin transitions, demonstrates the need to address social issues at a European level as well as the need for a sustainable, digital and resilient recovery that will create quality jobs and sustainable growth and consolidate our strategic autonomy while respecting the diversity of national law and practices; whereas the preamble to the Treaty on European Union defines the overarching goals of economic policy as 'the strengthening and the convergence of their economies' and 'economic and social progress for their peoples, taking into account the principle of sustainable development';
- D. whereas the economy has experienced a sharp downturn in 2020 as a result of the COVID-19 pandemic; whereas European regions and economies have not been affected in the same way and to the same degree; whereas the impact of the sharp drop of GDP in 2020 on unemployment was mitigated by different policy responses, among others job retention schemes; whereas employment and total hours worked have almost returned to pre-crisis levels, although the pace of recovery is uneven across Member States; whereas the impact of the crisis presents a considerable challenge but also an opportunity to relaunch our economies and societies, and to pursue the green and digital transitions in a more sustainable, resilient and inclusive manner; whereas such transformation should reverse increasing inequalities, bolster social cohesion and ensure that no one is left behind; whereas, according to the autumn 2021 European economic forecast, growth is expected to be 5 % in 2021, 4.3 % in 2022 and 2.5 % in 2023, higher than previously projected; whereas the recovery will however be heavily dependent on further pandemic developments<sup>5</sup> and the restrictions to economic activity to contain it; whereas since the start of the recovery, labour shortages have emerged again in manufacturing and services; whereas reported shortages in certain occupations in some EU countries or regions coexist with a surplus of qualified workers in others, highlighting the relevance of labour mobility and migration flows; whereas labour shortages are also driven by structural trends (e.g. ageing) and other factors that predated the pandemic;

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<sup>5</sup> European Commission institutional paper 'European Economic Forecast: Autumn 2021', November 2021, p. 2.

- E. whereas labour market slack comprises those unemployed, underemployed (i.e. part-time workers who would like to work more hours but cannot find jobs offering this), and marginally attached to the labour market (unemployed workers who are either currently immediately available to start a job but have not been seeking one, or who have been seeking a job but would not be immediately available to start one); whereas as a result of the shock, the labour market slack was 14.6 % of the labour force in the second quarter of 2020 in the EU, compared to 13.1 % in the second quarter of 2019; whereas this constitutes the underutilised labour resources in the economy;
- F. whereas the COVID-19 pandemic is placing a heavy burden on people in the EU, particularly those from more vulnerable groups such as women, people with disabilities, children, young people and the elderly in terms of their everyday lives, working lives and general livelihoods<sup>6</sup>; whereas the COVID-19 crisis has had negative impacts on the European labour market; whereas these developments have in some Member States led to a rise in poverty and divergences in living standards; whereas in-work poverty has increased from 8.5 % in 2010 to 9 % in 2019 in the EU-27; whereas workers on temporary contracts face a much higher risk of in-work poverty than those on permanent contracts (16.2 % vs 5.9 %), as do low-skilled workers compared to high-skilled ones (19 % vs 4.9 %); whereas, in addition, vulnerable groups, including young workers, single parents, people with disabilities, LGBTI, Roma or third country nationals are more likely to experience in-work poverty ; whereas many families of seasonal and cross-border workers were split during the initially uncoordinated lockdown measures; whereas as a result of lockdown measures parents, primarily women, have often had to balance their responsibilities to their children as well as to elderly relatives or relatives with disabilities; whereas a lack of work-life balance can often lead to stress and mental health problems;
- G. whereas the youth unemployment rate in the EU, while showing initial signs of recovery by mid-2021, still stood at 17.4 % in the second quarter of 2021, nearly triple the unemployment rate of the population aged 25-74; whereas the impact of the COVID crisis on the labour market reversed a six-year decline in the number of those not in employment, education or training (NEETs) partially as a result of the precarious labour market positions of young people<sup>7</sup>; whereas the mental health of young people has worsened significantly during the pandemic, with problems related to mental health doubling in several Member States compared to pre-crisis levels; whereas 64 % of young people in the 18-34 age group were at risk of depression in spring 2021, partly as a consequence of their lack of employment and of financial and educational prospects for the longer term;
- H. whereas the COVID-19 pandemic has had a devastating effect on young people, with employment rates falling and a considerable decrease in personal income; whereas the previous crisis showed that if young people are not provided with quality traineeships and jobs – based on written agreements and decent working conditions, including a living wage, career counselling and guidance and further training – there will yet again be a high risk that they will be forced to accept precarious jobs, leave their country to

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<sup>6</sup> 2021 report of the Bundesinstitut für Bevölkerungsforschung entitled ‘Belastungen von Kindern, Jugendlichen und Eltern in der Corona-Pandemie’.

<sup>7</sup> [https://ec.europa.eu/info/sites/default/files/economy-finance/2022\\_european\\_semester\\_proposal\\_for\\_a\\_joint\\_employment\\_report\\_0.pdf](https://ec.europa.eu/info/sites/default/files/economy-finance/2022_european_semester_proposal_for_a_joint_employment_report_0.pdf)

find work, or repeatedly enrol in education or training; whereas traineeships must not only be paid but also be limited in length and number so that young people are not trapped in never-ending repeated traineeships and exploited as cheap or even free labour, and without social protection and pension rights; whereas one of the main priorities of the EU should be to avoid another 'lost generation' of young people;

- I. whereas the housing crisis is happening in both wealthy and less wealthy countries, leading to social exclusion and spatial segregation; whereas access to decent and affordable housing is harder for vulnerable groups such as the working poor, women, young people, in particular young unemployed persons, single parents, large families, the elderly, especially those living alone, LGBTIQ persons, migrants, refugees, persons with disabilities, people with physical or psychiatric illnesses, and people from marginalised communities, including Roma;
- J. whereas according to the Commission's macroeconomic database AMECO<sup>8</sup>, the number of countries with a negative development in real wages increased from two in 2019 to 13 in 2020; whereas real wage levels are still below the crisis year 2009 level in many EU countries; whereas in order to maintain the purchasing power of workers, real wages would have to rise by 5 % in 2022;
- K. whereas according to OECD research<sup>9</sup>, one third of overall wage inequality can be explained by gaps between firms in wage-setting practices, rather than differences in workers' skills; whereas high-wage firms pay about twice as much as low-wage ones for comparable workers; whereas when workers cannot easily move from one firm to another (e.g. because of job search and moving costs), wages are not only determined by workers' skills but also by firms' wage-setting practices;
- L. whereas the green and digital transitions will lead to some reallocation of employment between tasks and sectors; whereas a reallocation of workers across sectors will be more challenging in terms of skills needs than a reallocation between firms within sectors, and may entail longer unemployment spells;
- M. whereas telework can sometimes blur current lines between work and private life, implying higher work intensity and other difficulties; whereas digital technologies entail risks to quality of employment; whereas people who regularly work from home are more than twice as likely to work in excess of the requisite maximum 48 hours per week; whereas almost 30 % of teleworkers report working in their free time every day or several times a week;
- N. whereas climate change has exacerbated already existing inequalities and disproportionately affected the poor and the most vulnerable groups and regions; whereas the consequences of climate change and extreme weather events are being felt more intensely and more frequently than before by EU citizens and workers; whereas the EU's climate neutrality targets represent both challenges for workers and business and opportunities to improve people's well-being and an absolute necessity in order to preserve the climate and to build a better future for younger and future generations;

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<sup>8</sup> [https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/macro-economic-database-ameco/ameco-database\\_en](https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/macro-economic-database-ameco/ameco-database_en)

<sup>9</sup> <https://www.oecd-ilibrary.org/sites/7d9b2208-en/index.html?itemId=/content/publication/7d9b2208-en>



whereas policies to reach the EU climate targets influence different regions differently, with the biggest impact on those highly dependent on fossil fuels; whereas rapid increases in energy prices across the EU, which have a number of causes that are not limited to the economic impact of the COVID-19 pandemic, affect the most vulnerable population in the EU, especially individuals and households with the lowest incomes; whereas the challenge to adapt our economies and societies must be managed in a way that ensures a fair and just transition; whereas the emergence of new related sectors also presents opportunities for businesses and has created a need to re- and upskill workers for future-oriented and sustainable jobs; whereas this process, if well managed, should protect socially vulnerable people, families and micro-enterprises; whereas quality job creation, ambitious just transition measures, as well as efficient up- and reskilling programmes, will be essential to ensuring a smooth and inclusive transition for workers;

- O. whereas Member States, supported by the EU, have extended unprecedented fiscal support and liquidity assistance to their economies to avoid mass lay-offs, preserve incomes and protect businesses in response to the COVID-19 crisis; whereas the activation of the ‘general escape clause’ within the procedures of the Stability and Growth Pact, adoption of the NextGenerationEU plan and the RRF, the Coronavirus Response Investment Initiative (CRII) and CRII+ and the introduction of the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) have been instrumental in this regard; whereas this robust and coordinated policy response highlights the importance of continued strong coordination of economic, employment and social policies through various policy and funding tools; whereas the increased need for funding and investments to strengthen the economy could place budgetary constraints on the Member States;
- P. whereas the growth rate of the EU population is falling and the population is expected to decrease significantly in the longer term; whereas the extent of demographic change differs in the Member States and regions; whereas demographic change affects social systems and labour markets<sup>10</sup>, in particular the care sector, and requires a comprehensive approach based on a mix of policy solutions in the fields of pensions, social security, child and long-term care services, housing, early childhood schools, health systems, social inclusion, integration of minorities and migrants, work-life balance and gender equality; whereas the current crisis has once again highlighted the importance and undervalued role of the care sector in our societies; whereas the EU’s working-age population has been shrinking over the last decade, which is also a determinant of increasing labour shortages; whereas the COVID-19 crisis has shown the crucial contribution of migrant workers to supporting European economies and essential services and to filling labour shortages; whereas it is essential that quality jobs are created for medium- and low-skilled workers and for women and young people in particular;
- Q. whereas the unprecedented digital evolution and growing application of artificial intelligence (AI) is an opportunity for the EU to become the leader in the area of ethical, human-centric AI and to create a more robust and more resilient economy based on digital progress; whereas digitalisation has brought many advantages to employers and workers, but also disadvantages; whereas the application of automation systems, AI and

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<sup>10</sup> Commission report of 17 June 2020 on the impact of demographic change (COM(2020)0241).



related advanced technologies in the economy is constantly increasing and thus implies a socioeconomic and digital transformation; whereas the new digital economy should generate benefits for workers and society at large by improving quality of life and working conditions, ensuring a good work-life balance, creating new employment opportunities and contributing to socioeconomic convergence; whereas well regulated AI has the potential to foster prosperity and facilitate the transition to a sustainable, robust and more resilient economy; whereas AI offers economic benefits and new opportunities for businesses, while at the same time representing legal and employment-related challenges; whereas workers need to be provided with the necessary training in the skills needed to work with the evolving technology and to adapt to the twin green and digital transitions;

- R. whereas the current crisis has shown that jobs at all skills levels provide value for our societies and economies and should ensure safe and healthy workplaces and quality employment; whereas there is a strong demand for workers in specific trades and professions; whereas education and training, including lifelong training policies predicting and reflecting labour market needs, ensure better labour market integration and are of key importance for economic operators and workers' career developments; whereas upskilling, reskilling and training programmes should be available for all workers, including those with disabilities, and should also be adapted to the needs and capacities of workers;
- S. whereas there were still over 3 300 fatal occupational accidents and 3.1 million non-fatal occupational accidents in the EU-27 in 2018; whereas over 200 000 workers die each year from work-related illnesses<sup>11</sup>; whereas this data does not include accidents occurring within undeclared work, implying that true numbers are likely to exceed official statistics<sup>12</sup>; whereas according to Eurofound in 2017 21 % of jobs in Europe were 'high flying jobs' and 20 % of jobs were of 'poor quality'<sup>13</sup> and put workers at increased physical or mental risk; whereas 14 % of workers have been exposed to a high level of psychosocial risk; whereas 23 % of European workers believe that their safety or health is at risk because of their work; whereas work-related illnesses and injuries cost the European Union 3.3 % of its GDP<sup>14</sup>; whereas workers have the right to a healthy, safe and accessible work place and environment that contributes to the implementation of the EPSR and Occupational Safety and Health standards; whereas insufficient preventive strategies and strategies to integrate older workers, workers with disabilities as well as workers willing to reintegrate to the labour market after long illnesses entail missed opportunities for workers, business and society as a whole;

## *Chapter I*

1. Notes that the sustainability, social inclusion and the well-being of the European people must be at the heart of the EU economic strategy, and that the President of the

<sup>11</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_3170](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3170)

<sup>12</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Accidents\\_at\\_work\\_statistics#Number\\_of\\_accidents](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Accidents_at_work_statistics#Number_of_accidents); <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0323&from=NL>

<sup>13</sup> 'Sixth European Working Conditions Survey – Overview report (2017 update)', Eurofound, 2017, Publications Office of the European Union, Luxembourg.

<sup>14</sup> Commission communication of 28 June 2021 entitled 'EU strategic framework on health and safety at work 2021-2027: Occupational safety and health in a changing world of work' (COM(2021)0323).

Commission has committed to this; points out that the EU needs a reform of economic governance that focuses on sustainable development and well-being; highlights the need for social and environmental public investment in national recovery and resilience plans;

2. Recalls that, according to the Treaties, the Union must work for the sustainable development of Europe based on balanced economic growth, full employment, healthy and safe working environments and conditions, 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 SDGs, the EPSR and the Green Deal, and underpin Member States' recovery and resilience plans; calls on the Commission to ensure that European economic governance is aligned with these goals and strategies;
3. Calls on the Commission to draw lessons from this crisis and work towards the implementation of a transformed sustainable governance 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 in Member States;
4. Stresses that it is crucial to consider the success of the EU economy in terms of citizens' and workers' well-being, inclusive labour markets, and labour and environmental standards;
5. Stresses that sustainable economic growth must be the goal for an inclusive and sustainable socio-ecological transformation of our economies, avoiding social, economic and environmental imbalances by fighting poverty, reducing inequalities, creating decent jobs with adequate wages and working conditions; notes that if our economies are competitive, they can develop the right capabilities for the future, including the ability to keep pace with the demands of a modern labour market; stresses that a significant part of the revenues generated by economic growth and resulting tax revenues should be used to finance public services, including public health and education systems; points to the need for strong support for public services, health and education systems, including in order to stimulate the creation of quality jobs, an inclusive recovery and the anticipation of future crises; calls for a review of current European economic governance and in particular of EU fiscal rules; stresses that sustainable and inclusive economic growth is necessary for progress, innovation, decent jobs and self-determined lives; stresses that a decent income secures a decent standard of living and provides social protection for families;
6. Is concerned that some Member States were indebted before the COVID-19 pandemic;

welcomes the historic and unprecedented European response in the form of the NextGenerationEU and the RRF as instruments to mitigate the economic and social impact of the pandemic in the Member States;

7. Highlights that democratic accountability for the current Semester evaluation process needs to be strengthened; calls on the Commission and the Member States to reform the financial legal framework and the European Semester process in order to ensure that the new economic governance framework will strengthen democratic accountability and the involvement of Parliament, strengthen the role and participation of EU and national social partners, and ensure a performance-based and results-oriented approach to policy objectives;
8. Stresses that the EPSR Action Plan includes three headline targets and that the last relates to poverty and aims to reduce the number of people at risk of poverty or social exclusion by at least 15 million, out of which at least 5 million should be children, compared to 2019; yet regrets however that the Commission has not yet presented a clear and comprehensive agenda to achieve this objective through effective tools and financial means; calls on the Commission to present without delay an anti-poverty strategy with the commitment to eliminating poverty in Europe by 2050; believes that this strategy should include, among others, social progress as an investment priority, implying that NextGenerationEU, the multiannual framework and the EU budget must dedicate investments towards social objectives, in particular social progress, which match in ambition investments in the green and digital areas, and that the reduction of poverty and inequalities should also be a transversal consideration in all expenditure;
9. Believes that the current elements of flexibility in the application of fiscal rules should be applied more generously in practice, so that debt reduction is not detrimental to other important goals, such as full employment, quality public services and climate protection; considers that, in this sense, the RRF should be put on a permanent footing to ensure that such an instrument is available again in crises of similar severity and can be accessed more quickly;
10. Welcomes the Commission proposal for a social climate fund to address the social consequences of the transformation of our societies to make them climate neutral; is convinced that the social impact of green policies has to be tackled in a wider manner, and highlights the urgency of adopting instruments that enable all parts of society to enjoy the benefits of a climate neutral society and protect people and households, in particular the most vulnerable from both the impact of climate change and pollution, and that prevent negative social consequences that might arise from the implementation of the European Green Deal climate actions;
11. Supports a more democratic semester process; firmly believes that the reform of economic governance needs to go hand in hand with the reinforcement of the social dimension; believes that gender equality policies must be anchored and mainstreamed in all phases of economic governance;
12. Considers that references to the gender gap in pensions need to be included in the annual sustainability growth survey (ASGS), as has been in the case in some past ASGSs;

13. Invites the Commission to reflect on the implementation of the UN Convention on the Rights of Persons with Disabilities and current national disability strategies in the Semester process; encourages the Member States and the Commission to assess whether social protection and disability measures, including also income protection benefits, adequately address poverty;
14. Underlines the need to reduce bureaucratic burdens and red tape in order to support and stimulate economic growth and competitiveness and, in this context, underlines the Commission's Better Regulation agenda; calls on the Commission, in the context of the country-specific recommendations, to recommend reforms to reduce red tape and facilitate access to funding for the widest possible range of beneficiaries, including businesses and SMEs, NGOs, social economy enterprises, municipalities and citizens; stresses that SMEs in particular suffer from excessive administrative burdens;
15. Welcomes the Commission communication of 9 December 2021 entitled 'Building an economy that works for people: an action plan for the social economy'; calls on the Commission to put forward ambitious measures for the establishment and development of cooperatives and social economy enterprises, which by nature place a stronger emphasis on fair working conditions and the empowerment of workers and citizens;
16. Highlights that the COVID-19 crisis has already left many young people jobless or in precarious employment; calls on the Commission and Member States to fight against youth unemployment and to ensure that young people receive adequate and quality first working experience; calls on the Commission to guarantee access for young people to paid quality traineeships and apprenticeships, and condemns the practice of unpaid internships as a form of exploitation of young workers, and a violation of their rights; calls on the Commission to put forward a legal framework for effective internships, traineeships and apprenticeships;
17. Calls on the Commission to review current European instruments such as the Quality Framework for Traineeships, and the European Framework for Quality and Effective Apprenticeships, and to include quality criteria for the offers made to young people, including the principle of fair remuneration for trainees and interns, access to social protection, sustainable employment and social rights;
18. Highlights that slow reallocation and skills mismatches may lead to major disruptions in the process of linking vacant jobs to jobless people, and can lead to higher structural unemployment; points out that policy needs to support workers in finding job, which require different qualifications from those of their previous occupations;
19. Stresses that improving employment and working conditions of the groups most negatively affected by the pandemic would contribute to preventing the scarring effects of unemployment and inactivity and the rise of inequalities; believes that the combination of high collective bargaining coverage and unionisation rates, well-financed active labour market policies and social benefits are essential instruments to fighting in-work poverty;
20. Believes that pay transparency rules are an important instrument for raising awareness of pay discrimination against women, can create the right to information on pay levels by gender, require companies to report information on employment and pay by gender,

and incentivise them to undertake gender pay audits; highlights that equal pay for work of equal value measures are particularly important for certain countries with large initial gender wage gaps early in workers' careers;

***An economy that protects workers' health and safety while ensuring good working conditions***

21. Welcomes the Commission's strategic framework on health and safety at work 2021-2027, in particular, the introduction of the Vision Zero approach to work-related accidents and diseases; regrets however that the level of ambition of the strategy does not correspond to the objective of Vision Zero and calls on the Commission to put forward proposals matching this ambition; calls for the establishment of a roadmap for the reduction of accidents and deaths at work, with adequate funding for Member States and companies to complete the transition towards zero fatalities; stresses that Vision Zero should not lead to under-reporting of work-related accidents and diseases; calls on the Commission to cover all injuries and accidents, physical and mental attrition in the Vision Zero approach; calls on the Commission and Member States to significantly increase the focus on prevention strategies such as strengthening labour inspectorates, national health and safety services and social partner dialogue to ensure that all employees, regardless of the type or size of their employer, have a right to the highest level of health and safety protection possible;
22. Believes that strong cooperation with social partners and legislative action are needed on several aspects of EU policy on occupational health and safety in order to complement the variety of soft measures planned in order to make Vision Zero a reality; calls for a clear focus on workers' participation and the strengthening of social partner consultation;
23. Stresses the emergence of new occupational safety and health risks due to the acceleration of climate change and its potential effect on workers, as well as because of technological breakthroughs such as AI and digitalisation, that could lead to hazardous working conditions; draws attention to its resolution of 20 October 2021 with recommendations to the Commission on protecting workers from asbestos<sup>15</sup> and welcomes the progress made on the revision process of the Carcinogens and Mutagens Directive (CMD4); calls on the Commission to take appropriate and proportionate legislative and non-legislative actions to master these emerging risks;
24. Welcomes and emphasises the central role of the new EU strategic framework for health and safety at work 2021-2027 in ensuring healthy and safe workplaces, in particular in anticipating and managing change in the context of green, digital and demographic change; stresses the importance of improving the prevention of work-related accidents and diseases, eliminating work-related fatalities and increasing preparedness to respond to current and future health crises in order to maintain the health and safety of workers and thereby ensure productivity and competitiveness; emphasises the need to focus strategies on addressing the challenges posed by the increasing proportion of older workers and workers with disabilities or chronic diseases; reiterates that stress, anxiety or depression are among the second largest group of self-reported work-related health problems, which can significantly increase the risk of other health problems, including

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<sup>15</sup> Texts adopted, P9\_TA(2021)0427.

autoimmune or musculoskeletal disorders and rheumatic or chronic inflammatory diseases;

25. Calls on the Commission to propose a new directive on mental health to prevent the proliferation of psychosocial risks at work and to ensure the well-being of workers; believes that binding regulation is key to efficiently preventing mental disorders such as anxiety, depression, burnout and post-traumatic stress, as well as for their recognition as occupational diseases; considers that minimum requirements for remote work should be addressed in this directive in order to ensure that workers can exercise their right to disconnect; believes that this directive should also regulate the use of current and new digital tools for work purposes and clarify working conditions of teleworkers, that must be equivalent to those of comparable workers;
26. Notes that the COVID-19 pandemic has highlighted pre-existing structural problems in the social sector, in particular in long-term care, including issues such as staff shortages, poor working conditions, low wages and low uptake of digital solutions;

### ***Chapter III***

27. Sees increasing purchasing power and higher wages as an important component of economic recovery, stimulating domestic aggregate demand while ensuring the well-being of citizens; sees the risk that wage increases in the coming year will generally rise below inflation, reducing the purchasing power of workers; warns that the purchasing power of wages could stagnate or even decline if prices for energy, housing and food continue to rise; believes that low-income households should be protected from the negative effects of rising prices for services, goods and basic foodstuffs; stresses that this should be combined with measures to increase the proportion of middle-income households; believes that collective bargaining and unionisation can rebalance power between different groups in society; stresses the importance of tackling in-work poverty, energy poverty and long-term unemployment; welcomes the Commission's proposal for a directive on decent wages in the European Union to help eradicate in-work poverty and promote collective bargaining;
28. Is concerned that despite recent minimum wage increases in many Member States, statutory minimum wages often remain low compared to other wages in the economy, and many are well below the 60 % of the median wage of the country;
29. Notes that 22.4 % of the EU population is at risk of poverty or social exclusion, of which 24.9 % are children, 23.3 % are women and 18.2 % are over 65, and that the risk of poverty among people with disabilities rises to 34.6 %; is very concerned that youth unemployment in the EU is above 15 %; stresses that the COVID 19 pandemic makes the implementation of the Child Guarantee, the Reinforced Youth Guarantee and the EU Disability Rights Strategy more important than ever; calls on the Commission to support Member States in combating poverty, especially among children, women and older people, in-work poverty and homelessness as extreme forms of poverty and social exclusion;
30. Calls on 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, 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, in order to prevent homelessness and provide access to adequate, safe and affordable housing;

31. Calls on the Commission and the Member States to ensure access to decent housing for all through national affordable housing plans included in national reform programmes;
32. Welcomes the attention to LGBTIQ homelessness, particularly LGBTIQ youth homelessness, in the LGBTIQ Equality Strategy; invites the Commission to tackle the problem of LGBTIQ homelessness together with the Member States;
33. Considers that quality, adequate, accessible and affordable social services are a pre-requisite for the recovery from the COVID-19 pandemic and the successful implementation of the EPSR, in particular for reducing poverty and social exclusion in all its forms;
34. Notes that the headline target of reducing the number of people in poverty by 15 million will not be reached without addressing the most vulnerable; calls on the Commission and Member States to develop targeted ways of supporting the long-term unemployed and homeless, as well as persons facing multiple barriers and types of discrimination;
35. Calls on the Commission and the Member States to guarantee universal access to free public education in the EU for children up to the age of three, which would contribute to equal opportunities for the next generation as well as to an increase in women's participation in the labour market ; insists on the importance of transposing the Work-Life Balance Directive in order to provide equal access and balanced use of leave arrangements by men and women, which will allow parents with children or workers with dependent relatives to better balance caring and professional responsibilities;
36. Notes that families, children and vulnerable groups have been the main victims of the COVID-19 pandemic; stresses that eradicating child poverty and ensuring well-being and equal opportunities for children must be among the highest priorities for Europe; calls on the Commission to work towards the urgent implementation of the European Child Guarantee and to secure a dedicated budget of EUR 20 billion and to fulfil this task in the 2021-2027 period in order to combat poverty for all children and their families, without restrictions; underlines that this should be accompanied by the forthcoming proposal for a Council recommendation on minimum income to contribute to the goal of reducing poverty; stresses that the aim of the European Child Guarantee is to support national policies to prevent and combat social exclusion by guaranteeing access of all children in need to key services, including third country national children irrespective of their migration status; believes that the Child Guarantee must be extended to complement national child benefit schemes; calls on Member States to use the resources available under, inter alia, the RRF and European Social Fund Plus



(ESF+) to ensure that the Child Guarantee prevents and combats social exclusion and poverty among children in need and promotes equal opportunities; calls on the Commission, further, to carefully monitor progress in this area;

37. Recalls that young people have been hardest hit by the pandemic, as they are overrepresented in sectors most impacted by pandemic restrictions and more likely to work on temporary or part-time contracts, most likely to experience housing insecurity compared with other groups, and as they are experiencing a disproportionate impact on their life satisfaction and mental well-being, with nearly two thirds of young people at risk of depression<sup>16</sup>; calls for a reinforced Youth Guarantee Instrument and updated national schemes with the objective of reducing long-term and youth unemployment by at least 50 % by 2030, also including criteria for quality job creation in line with the SDG 8 of the UN's 2030 Agenda; believes it is time to make the Youth Guarantee both binding on all Member States and inclusive, including active outreach measures towards long-term NEETs and young persons from disadvantaged socioeconomic backgrounds, such as young persons with disabilities and young Roma people;
38. Highlights that it is necessary for Member States to continue to invest sufficient ESF+ resources in measures supporting targeted actions and structural reforms for quality youth employment, vocational education and training, particularly apprenticeships and entrepreneurial skills; stresses, further, that Member States must include reforms and investments in the next generation, children and the youth in line with the objectives of the Child Guarantee and Youth Guarantee so that they can access financing under the RRF; calls on the Commission to closely monitor Member States' investment in this area via the Semester cycle and the national reform programmes under the RRF;
39. Calls on the EU and the Member States to address the structural problems causing child poverty and social exclusion by promoting high levels of employment and social inclusion, including among disadvantaged groups; stresses the need to ensure gender equality, non-discrimination and social equality in employment relationships; stresses that this is an important building block for a sustainable and prosperous economy and a strong democracy;
40. Highlights that all children are entitled to human rights and a safe environment as essential conditions in order to prevent early school leaving, protect their mental health and participate fully in society and the labour market; regrets that, in this regard, LGBTI children are often victims of bullying and violence in schools and that this has a serious effect on their well-being; believes that anti-bullying policies, as well as children's access to information on sexual orientation and gender identity, should be an integral part of the education systems;
41. Underlines the need for the country-specific recommendations in the European Semester to invest in adequate disability allowances that are compatible with other forms of income in order to reduce the risk of poverty faced by persons with disabilities;
42. Stresses the need for decisive and effective social investment at European, national and regional level to strengthen social services;

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<sup>16</sup> [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef20036en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20036en.pdf)

43. Calls on the EU and Member States to ensure that everyone in our society has the right skills to find a job and develop their talents, especially the younger generation; underlines the need to strengthen EU education programmes while aligning education and training with the needs of the economy and society of the future; workers, teachers and trainers should identify, support and promote the right skills in training; believes that investment in digital infrastructure is inevitable; is convinced that obstacles such as labour shortages hinder economic growth; calls on the Commission and Member States to implement without delay a comprehensive package of measures to tackle labour shortages, focusing on living wages, improving working conditions, strengthening labour mobility in the EU, facilitating the integration of migrants into the labour market and facilitating access to finance for SMEs; calls for a strengthening of the European Qualifications Framework for the appropriate recognition of competences and qualifications acquired outside European borders; calls on Member States to recognise, validate and certify the existing formal and non-formal competences, talents and know-how of people from third countries; stresses the need to guarantee access to formal, informal and non-formal education and lifelong, high-quality training;
44. Stresses the importance of well-resourced public employment services; believes public employment services should offer individualised support and needs assessment to job seekers with disabilities, older job seekers and the long-term unemployed;
45. Believes that more upcoming European Semester recommendations should include a focus on the quality and funding for, as well as working conditions in person-centred, long-term care, including social care and support; reminds Member States of the Declaration of Astana of 2018 and their commitment to strengthening primary health care to deliver equitable, accessible, safe, and affordable community-based care for older people;
46. Is deeply concerned about the impact of the pandemic on the mental health of workers and society at large; invites the Commission to systematically put forward recommendations to strengthen mental health care systems;
47. Considers that employment policy recommendations should not lose sight of long-term unemployment and inactivity, especially among older persons; welcomes past recommendations addressed to some Member States that refer to the need to review the system of hiring incentives to promote youth employment; invites the Commission, in this regard, to extend them to older job seekers;
48. Stresses the highly damaging and diverse health consequences of sexual and gender-based violence, which has been shown to have the potential to lead to severe physical and mental health consequences; calls, therefore, for proper protection and adequate resources for victims of sexual and gender-based violence, and an increase in resources and effective action to that end;

#### ***Chapter IV***

49. Is concerned about the global shortages of many goods, due in part to the disruption caused by the pandemic; calls on the Commission to identify shortages in strategic production locations and to present strategies to strengthen EU self-sufficiency in critical industries and diversify sources in order to reduce the EU dependency on non-

democratic third countries; calls for the social and economically sustainable dimension of the industrial strategy to be strengthened, with a particular focus on quality employment and strategic value chains in the EU, and for the necessary regulatory requirements to be adapted or introduced in this respect in order to ensure a sustainable, robust European industrial capacity and for adequate conditional financial support; supports an ambitious and coherent industrial policy involving the social partners in order to strengthen the real economy and promote competitive and sustainable industries and services; calls on the Commission to establish a new framework directive on information, consultation and participation of workers for minimum European standards, including for the anticipation of change; also calls for a revision of the European Works Council (EWC) Directive to strengthen the right of workers' representatives to information and consultation, especially in restructuring processes; believes that a strong industrial base requires a level playing field with strong incentives for innovation, high environmental standards and good working conditions; underlines the importance of social partner involvement in the development of industrial strategies;

50. Calls on the Commission to enhance European industrial and production capacity in order to reduce dependencies; stresses the importance of developing technological sovereignty and creating European value and jobs in strategic industrial areas; underlines the importance of EU strategic autonomy and of the resilience of its supply chain;
51. Considers that workers' involvement in company matters is essential in order to ensure sustainable corporate governance and to prevent shortages of strategic goods and the delocalisation of production; calls on the Commission and the Member States to establish the necessary conditions and requirements in order for at least 80 % of corporations to be covered by sustainable corporate governance agreements by 2030, in order to establish strategies agreed with workers to positively influence environmental, social and economic development through governance practices and market presence, improve directors' accountability for integrating sustainability into corporate decision-making, and promote corporate governance practices that contribute to company sustainability, with reference inter alia to corporate reporting, board remuneration, maximum wage ratio difference, board composition and stakeholder involvement;
52. Calls for a directive on binding human rights, due diligence and responsible business conduct, including workers' rights such as the right of association, the right to collective bargaining, the right to health and safety, and social protection and good working conditions, establishing mandatory due diligence covering companies' activities and their business relationships, including supply and subcontracting chains; stresses that this directive should ensure the full involvement of trade unions and workers' representatives in the whole due diligence process, and should guarantee the right to reach collective agreement at the relevant levels on the due diligence policies; underlines that both national labour inspectorates and the European Labour Authority, must be able to conduct joint inspections throughout the chain, file complaints and offer support for compliance for all EU companies and companies wanting to access the internal market; calls on the Commission to insist on the ratification of International Labour Organization (ILO) Conventions 81 (labour inspection) and 129 (labour inspection in agricultural sector) by all trading partners of the EU;

53. Calls on the Commission to work towards economic resilience, promote public investment in strategic sectors and social welfare systems, to protect entrepreneurship and SMEs, and to ensure social progress in the EU through well-paid jobs; calls on the Commission and Member States to increase the economy's resilience, competitiveness and preparedness for future crises, in order to create a business-friendly environment that will help attract investment and entrepreneurs, and to ensure a fair and social EU with jobs allowing a decent life, leaving nobody behind, while respecting the subsidiarity of the Member States; calls on the Member States to lower administrative burdens for businesses with special focus on SMEs, who are the backbone of European economy;
54. Calls on the Commission to include in its recommendations an invitation to all the Member States to invest in the social economy and the circular economy, not only because of their job creation potential, but also as enablers for an inclusive economic recovery and the green transition;
55. Stresses the need to address skills gaps and skills shortages in the EU in order to eliminate bottlenecks in the labour market; notes that some of these gaps hinder productivity and economic growth and discourage workers from entering the labour market; stresses the need to transform and modernise training, formal and non-formal education, as well as to improve career guidance, digital skills acquisition and education, and promote vocational training and lifelong learning; expresses its concern about the need to improve digital skills in the EU in line with the needs of future labour markets, as reflected, inter alia, in the shortage of IT professionals; underlines also the importance of basic digital skills for social inclusion, including for older people and people living in remote areas; stresses the importance of focusing on and investing in vocational education and training in the context of the double digital and green transition, in all levels of education, retraining and upskilling and the continuation of lifelong learning, with a particular focus on STEM skills for girls and women; recalls in this context the need to provide equal access to training for all workers; calls for EU education systems to become more uniform and for qualifications to be more widely recognised; stresses the need to create a networked environment for education and higher education institutions, vocational training centres and employers working together to predict and meet the future needs of the labour market; stresses that, in the face of a shrinking working-age population, measures to bring more people into the labour market are essential; considers that integrating migrants into the labour market can have a positive impact on labour supply, reduce labour shortages and promote higher employment rates; considers that this needs to be combined with other measures; stresses the importance of enabling healthier working lives, improving working conditions and better adapting labour markets to the changing needs of workers over the course of their lives;
56. Calls the Commission to set a priority to the reform of and investment in long-term care in the European Semester process and to needs for quality, accessible, affordable and adequate long-term care with focus on community-based, person-centred and empowering care services which meet the needs of people and are accessible to persons with lower incomes; notes that investment in long-term care is an opportunity to create jobs; stresses the importance of paying attention to creating quality jobs with decent wages and working conditions;

57. Stresses that investment in the adoption of advanced digital technologies and research and innovation are key to future economic policies for managing the digital transition; urges the Commission and Member States to address the digital investment gap in both the public and private sectors, focusing in particular supporting SMEs;

## *Chapter V*

58. Emphasises that to ensure a just transition, we must address and embrace the challenges and opportunities that arise in pursuit of our goals; believes that the transition to a carbon-neutral economy must be equitable, characterised by social fairness and leave neither workers nor local communities behind; stresses that jobs should be safeguarded and working conditions improved, based on a social market economy with strong research and innovation in new technologies; believes that a green and digital transition should be fair and inclusive and lead to a more sustainable and competitive Europe where workers have dignity and opportunities to flourish; notes that public investment is expected to increase in 2021 and 2022 compared to 2019 figures, according to the Commission's Spring 2021 Economic Forecast;
59. Agrees with the ILO in its definition of the just transition to sustainable development as a human-centred approach to the future of work that transforms economies and societies, maximises opportunities for decent work for all, reduces inequalities, promotes social justice and supports industries, workers and communities;
60. Recalls the crucial role played by European, national and sectoral social partners in anticipating change; highlights the need to closely involve trade unions and workers' representatives in all decision-making levels in order to ensure efficient and fair transitions; stresses the critical role of collective bargaining in ensuring the highest occupational health and safety standards, relevant skills development and strategic anticipation of change; stresses that European and international human rights guarantee all workers the right to organise, form and join a trade union, engage in collective bargaining, take collective action to defend their rights and enjoy protection under collective agreements, regardless of their employment status; calls on the Member States to remove any national legislation that hampers collective bargaining, including by ensuring trade unions' access to workplaces for the purpose of organising, information-sharing and consultation, strengthening worker's representation;
61. Calls on the Commission and Member States to support initiatives aimed at reducing inequalities and protecting decent working conditions for all; emphasises in telework the right to separation from work, psychological well-being at work and health and safety at work; calls for value jobs for workers and thus also for the strengthening of the role of the social partners and collective bargaining; welcomes the Commission's proposal for a directive of the European Parliament and of the Council on improving working conditions for platform workers and calls for its swift adoption; welcomes the introduction of a rebuttable presumption of an employment relationship based on the principles of primacy of facts under this directive for all persons working for digital labour platforms; considers it essential to ensure a level playing field and that platforms are subject to the same labour market rules as traditional companies; calls on the Commission to ensure that digital platforms use transparent, non-discriminatory and ethical algorithms; stresses the importance of human labour relations and dignity in the

workplace and considers it essential that algorithmic management be carried out by human supervisors and that their decisions be accountable, challengeable and, where appropriate, reversible;

62. Calls on Member States to step up enforcement and combat the practices of rogue temporary work agencies; calls on the Commission to make certification mandatory for EU-wide public procurement and to establish a social register for this purpose; recalls the role that socially responsible public procurement can play in creating employment opportunities, decent work, social and professional inclusion and better conditions for vulnerable groups; stresses that Member States should finance reforms in this area, including through the RRF, in order to make procurement rules more dynamic and transparent, to take into account social and labour market objectives and, in particular, to promote access to public procurement for social economy enterprises, in line with the Social Economy Action Plan;

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63. Instructs its President to forward this resolution to the Council and the Commission.



## EXPLANATORY STATEMENT

Given Europe's economic situation and the consequences of the COVID 19 pandemic, this report is of particular significance in terms of its value. It is therefore very important to the rapporteur that this report is supported by all political groups and reaches a wider audience.

This report is therefore different from previous reports in terms of its significance, objectives and clarity. The markets of Europe and the world have not only been massively affected by COVID-19, but also by the climate crisis, artificial intelligence and an increasing imbalance between social regulations and the market economy, going ahead with considerably negative mechanisms.

Taking into account that Europe and its markets have undergone a process of development at various levels - which must continue - this report also underpins a rejection of the World Economic Forum's initiative, the so-called 'Great Reset' to reshape the global economy and society in the aftermath of the COVID-19 pandemic.

The rapporteur accepts that many other topic-related reports are multidisciplinary in their approach. He explicitly emphasises that this report is complimentary on many levels, that the Stability and Growth Pact must be respected and that the budgetary flexibility of the individual Member States must be preserved, in adherence to the principle of subsidiarity and the diversity of Europe. This report contains very concrete statements that are of central importance for a viable, resilient and sustainable European economy.

Chapter I calls for more emphasis and funding for sustainable economic growth. In view of the empty government coffers in Europe's public budgets, we need to find new and better ways of financing.

The economic programmes and imposed funds so far will not be sufficient for a viable, sustainable and lasting economic recovery along with robust markets that are more resistant to further crises. The goal of sustainable economic growth must be to ensure that we can weather future crises in the best possible way, to secure markets and to expand infrastructures, whilst simultaneously ensuring a climate-friendly impact.

The "Manacle Bonds" system has been devised for this purpose. The rapporteur recommends that the Commission review and introduce it accordingly.

In explaining the system, it should be noted that the rapporteur opposes both a eurozone budget with higher membership contributions and a general communitisation of sovereign debt through Eurobonds. The rapporteur sees the approach of a reformed ECB bond-purchasing programme as a sensible measure.

The ECB should be able to buy bonds issued by the EU. The EU would issue a (debt) bond which would, for example, include European economic measures or also enable the financing of a European child cost allowance. It should not be possible to finance national measures. Only common European measures are to be included in this programme - jointly and severally - for common profit. The (debt) bonds are not to be tradable. Institutions and private investors cannot purchase the paper. Only the ECB is allowed to hold these bonds. They do not include



an interest rate promise, but rather a repayment date. All Member States that participate in the issuance of the bond are liable for repayment. The Member States are only liable for their respective share. Failure to repay may constitute grounds for rejection in future issuances. For reasons of solidarity, all Member States should participate in a (debt) bond. De facto, the Member States agree:

- On an objective to pursue (the combating of child poverty through a European child cost allowance); (combating unemployment through short-time work allowance/economic measures) etc.
- The amount of the (debt) bond
- A repayment date
- Possible preconditions (reforms) for the (co-)issuing states as well

The ECB would decide on the basis of its own criteria (such as past payment record, legal review, etc.) whether the issued (debt) bond can be purchased. The ECB would decide independently. There is no guarantee that a (debt) bond can actually be placed. The (debt) bonds can only be purchased by the ECB, which allows it to inject money into the common economic space in a controlled manner and neutralises it upon repayment. Since only the ECB acts as creditor, a later waiver of the claim is entirely possible. This form of debt bond extends the political scope, while preserving the independence of the European Central Bank.

Chapter II shows the effects between environment and health, as well as the necessary preventive measures in the fields of occupational medicine. Days lost due to illness have a negative economic impact on production, production costs, as well as trade and services.

Chapter III highlights that convergence in general between the states of Europe has not only stalled, but also increasingly includes large differences in people's benefits between the North and South. As a result, subjective poverty is at an all-time high, while objective poverty rates are also entrenched at a very high level.

It is therefore imperative and necessary to focus on purchasing power in future-orientated economic programmes. This will allow them to be fully effective in the European Semester for Economic Policy Coordination: Employment and Social Aspects in the Annual Strategy for Sustainable Growth 2022.

To stabilise sustainable economic growth, an increase in purchasing power is usually followed by corresponding increases in productivity. One consequence of this is less short-time work and unemployment with considerable cost savings. Through more consumption, increased tax revenues can then also be expected in the Member States. All things considered, an increase in purchasing power not only inhibits the rising risk of poverty but also actively limits it. In concrete terms, therefore, Chapter III. suggests the introduction of a child cost allowance 25/25, which is explained below.

Life as a whole has become faster, more frantic and more complex. Families with children are becoming poorer and poorer. Many parents can no longer keep up and are overwhelmed. Conflicts are on the increase. One result is, for example, increasing violence within families. Across Europe, we are seeing a drastic increase in cases of neglect, abuse and neglect of children. Decisive action is required to counteract this. Europe must fight child poverty actively, directly and locally within the family unit.

Families are the cornerstone of our European society, shaping the way we all live together and ensuring Europe's continued existence. Only strong families can forge a strong society that is able to hold its own in the face of global competition. In order to implement the Child Guarantee, the rapporteur considers the introduction of a European child allowance 25/25 to be both necessary and overdue.

This additional European child support cannot be offset against any other benefits. The Final Report, 'Feasibility Study for a Child Guarantee', presented by the European Commission in March 2020, explains in detail the existing legal basis and responsibilities. This European Child Benefit 25/25 establishes a sustainable economic development project. Families will in turn add the extra money to the cash cycle, so it also benefits all Europeans directly and indirectly.

The sum of 50 euros is essential for each child born in Europe whose parents' income is below the median income of the respective Member State. Divided into 25 euros per child - as a direct payment by the existing family funds in the Member States - with the other 25 euros per child for the creation of the newly established European family counsellors who will actively work with the families on a local level.

The European Family Companion stands for:

- The presence of Europe within the family unit, establishing a better identification with Europe.
- The link between families, supply structures and communities under European auspices.
- Preventive support for families from pregnancy until the children reach adulthood, individually tailored to families as a community.
- Early identification of problems (excessive demands, neglect, abuse, abandonment, violence in the family, developmental disorders in children, etc.)
- Solutions involving the pre-existing supply structures and through individual networking of these structures for families.

By making the European Union more family-friendly, more children will be born in Europe again, whereby strengthening families means strengthening society as a whole.

Chapter IV specifically addresses sustainable economic growth through the re-Europeanisation of important production facilities, such as, for example, semiconductor technology, medical products, medicines and hygiene products with shortened supply chains to develop and expand employment sectors. In Chapter IV, the rapporteur also addresses the impact of skills shortages and the increasing importance of education, innovation and research. These are the pillars of socially acceptable employment in Europe.

Chapter V is dedicated to sustainable economic growth through improved production, service and trade principles.

From the perspective of a European social employment policy, this means in particular that family-friendliness, sustainability, climate-friendliness, wage transparency and core social values of employment are laid down in a social register for certification. These should then be codified for public and Europe-wide tenders and serve to foster sustainable, socially acceptable employment and economic growth.

## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	28.2.2022
<b>Result of final vote</b>	+: 15 -: 11 0: 29
<b>Members present for the final vote</b>	Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Leila Chaibi, Ilan De Basso, Margarita de la Pisa Carrión, Jarosław Duda, Estrella Durá Ferrandis, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kympouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Giuseppe Milazzo, Sandra Pereira, Kira Marie Peter-Hansen, Dragoş Pişlaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Guido Reil, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Michal Šimečka, Beata Szydło, Eugen Tomac, Romana Tomc, Marie-Pierre Vedrenne, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Konstantinos Arvanitis, Alin Mituța, Evelyn Regner, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir, Anna Zalewska

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

15	+
PPE	David Casa, Jarosław Duda, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Stelios Kypourouopoulos, Maria Walsh
Renew	Sylvie Brunet, Jordi Cañas, Alin Mituța, Dragoș Pîslaru, Monica Semedo, Michal Šimečka, Véronique Trillet-Lenoir, Marie-Pierre Vedrenne

11	-
ECR	Margarita de la Pisa Carrión
ID	Dominique Bilde, Nicolaus Fest, France Jamet, Elena Lizzi, Guido Reil, Stefania Zambelli
NI	Ádám Kósa, Daniela Rondinelli
PPE	Radan Kanev
The Left	Sandra Pereira

29	0
ECR	Giuseppe Milazzo, Elżbieta Rafalska, Beata Szydło, Anna Zalewska
PPE	Rosa Estaràs Ferragut, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Tomáš Zdechovský
S&D	Marc Angel, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Estrella Durá Ferrandis, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Manuel Pizarro, Evelyn Regner, Marianne Vind
The Left	Konstantinos Arvanitis, Leila Chaibi, Eugenia Rodríguez Palop
Verts/ALE	Katrin Langensiepen, Kira Marie Peter-Hansen, Mounir Satouri, Tatjana Ždanoka

Key to symbols:

+ : in favour

- : against

0 : abstention