



**2023/0264(BUD)**

19.7.2023

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Budgets

on the general budget of the European Union for the financial year 2024 - all sections  
(2023/0264(BUD))

Rapporteur for opinion: Dragoş Pîslaru

PA\_NonLeg

## SUGGESTIONS

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

- A. whereas the European Pillar of Social Rights (EPSR), proclaimed by the European Council, the European Parliament and the European Commission in November 2017, the European Pillar of Social Rights Action Plan of 4 March 2021 and the Porto Declaration of 8 May 2021 on social affairs adopted by the members of the European Council, should be taken into account,
- B. whereas Parliament already adopted a resolution on 15 December 2022 on upscaling the 2021-2027 Multiannual Financial Framework<sup>1</sup>,
  - 1. Calls for a strong budgetary response by the Union in 2024 to the social and economic difficulties faced by Europeans as a consequence of inflation and the cost of living crisis, in the context of the war of aggression against Ukraine and post-pandemic challenges; is concerned in particular that high energy, food and housing prices, and continued pressure on essential services and supply chains are exacerbating already existing social and economic inequalities, eroding the middle class, and worsening the living and working conditions and mental health of many workers and their families; recalls that a strong sustainable, resilient and inclusive recovery requires full use of the EU budget's potential, in particular EU funding and financial instruments in the social and employment area; stresses the importance of ensuring streamlined administrative processes to facilitate access to Union funds to the benefit of people and businesses;
  - 2. Stresses that the Union budget should support policies and measures to facilitate access to and mobility within the labour market, to strengthen the competitiveness of European economies, create quality and sustainable employment, further develop resilient national social systems, while using resources and optimise those systems to make sure that they help eradicate poverty, promote inclusion policies and increase upward social convergence across the Union so that no one is left behind; notes in particular that investment in lifelong learning, reskilling and upskilling is essential to address the green and digital transition; welcomes that the 2023 Porto Social Forum conclusions highlight in the context of the European Year of Skills – how robust policies on skills, education and training can create better employment, swifter integration in the labour market and foster social inclusion, and be a source of self-fulfilment and consequently boost the resilience and competitiveness of the EU's economy and society; insists on the importance of investing in social inclusion and measures for groups at greater risk of social deprivation and discrimination such as children, young people, LGBTIQ+ families or single parent families, persons with disabilities, older persons, and people with migrant background; recalls that the integration into the labour market of the most vulnerable groups, such as people in poverty, people with disabilities, young and elderly people, the unemployed, in particular the long-term unemployed, and in particular people displaced as a result of the war of aggression against Ukraine, is paramount;

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<sup>1</sup> Texts adopted, P9\_TA(2022)0450.

3. Underlines that a skilled workforce that keeps up with the demands of a modern labour market is essential to stimulate economic growth, competitiveness and contributes to social prosperity; highlights in particular the importance of investing in skills in times of deep transformations in the labour market and the green and digital transitions; calls for financial and technical support to the creation of local strategies for skills and skills development hubs in cooperation with local employment agencies; highlights the key role that the Skills Academies set up under the Net Zero Industry Act Regulation will play in disseminating knowledge and skills on net-zero technologies that can enhance the Union's competitiveness and its global position in net-zero industries and calls for a budget of at least EUR 102 million for the set up and functioning of the Academies for the period 2024-2027 with an allocation of EUR 25.5 million for the year 2024;
4. Highlights the crucial role of Union funds and financial instruments, including the Recovery and Resilience Facility (RRF) and Repower EU to ensure an economically and socially sustainable, just, inclusive and non-discriminatory recovery; recalls that the European Social Fund Plus (ESF+) is the key driver for strengthening the social dimension of the Union in line with the principles of the European Pillar of Social Rights; also points out the importance of the European Globalisation Adjustment Fund for Displaced Workers (EGF), the Just Transition Fund (JTF), ReactEU with its additional resources for ESF+, the Youth Employment Initiative (YEI) and the Fund for European Aid to the Most Deprived (FEAD);
5. Notes the Commission proposal to allocate EUR 16,8143 billion in commitments in 2024 to ESF+; recalls that ESF+ is the main instrument for investing in people and building social protection and that it must play a key role in supporting Member States to achieve social cohesion, high employment levels, adequate social protection and a skilled and resilient workforce ready for the transition to a green and digital economy; calls for a reinforcement of ESF+ so that it is sufficiently funded in light of the steep increase in the cost of living and its impacts on workers and their families;
6. Recalls the obligation for Member States with a rate of young people who are not in employment, education or training that is higher than the Union average to allocate at least 12,5 % of their ESF+ resources to implement the Youth Guarantee; recognises that, the unemployment rate for young people in the EU is on a decreasing trend, although this trend is unevenly shared across Member States and it still is much higher compared to the unemployment rate of the general population; highlights, therefore, the need to continue to invest in the creation of quality jobs for young people and calls on the EU and all Member States to mobilise all available national and European funding to promote and provide decent working and quality training opportunities for young people; calls on Member States to make the best use of the Employment and Social Innovation strand (EaSI) of ESF+ for investment in social innovation and for stimulating labour mobility; expects that EaSi will reach its full working regime in 2024 now that its budgeting is back in line with programming;
7. Recalls that the European Child Guarantee has been in place for 2 years and that it is a crucial instrument in fighting the ever more increasing child poverty; notes that in a short time the Member States have already invested around EUR 9 billion in the Child Guarantee; reiterates its calls to urgently increase the funding of the European Child Guarantee and the need to create a dedicated budget of at least EUR 20 billion and

insists on making this funding available as part of the revised MFF so that it can be already put in place in 2024; recalls also its position that all Member States should use at least 5 % of the ESF+ resources under share-management to targeted actions to combat child poverty and support the implementation of the Child Guarantee; calls on the European Commission and the Member States to make full use of existing funding possibilities under the EU budget, such as ESF+, ReactEU, RRF, to eradicate child poverty;

8. Highlights the demographic challenge in the Union resulting from an ageing population, a decrease in fertility and higher life expectancy; stresses the lack of European and national policy responses, to address the demographic challenge, covering areas such as adequate housing, sufficient quality care facilities and support services and insists on the need to invest in social infrastructures; underlines that the current economic uncertainties severely impact older people; stresses that the budget should underline the importance of safeguarding and promoting the well-being of older persons and their fundamental rights in the EU by introducing an “ageing-in-dignity” criteria and providing sufficient funding to support investment in and access to housing in order to tackle effectively the growing problems of a lack of affordable housing, poor housing conditions, housing exclusion and homelessness and to promote participation in society, access to culture and sport activities;
9. Reiterates that women are more widely affected by the current crises and war in Ukraine and are more at risk of suffering from employment and social fallout; calls for mainstreaming of a gender responsive budget to better align policies and activities that promote the equal participation of women in the labour market and that comprehensive systems be put in place to monitor and measure gender budget allocations, women’s participation in the labour market, access to employment, pay and pension gaps;
10. Stresses that the European Instrument for Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) has proved to be successful in fighting unemployment as a consequence of the COVID-19 pandemic; further calls on the Commission to build on the SURE instrument to support national schemes to protect employment and preserve workers’ incomes that can be activated temporarily when a part of the EU experiences an economic shock; insists that all national and EU emergency measures, particularly those associated with employment protection and income compensation continue and are refinanced as long as the socio-economic consequences of the war continue to have a negative impact on the labour market and until the economy fully recovers; asks the Commission to take into account the observations made by the European Court of Auditors as regards the implementation and the transparency of the SURE instrument;
11. Recalls that the JTF should provide support for territories and people facing serious socio-economic and employment challenges deriving from the transition process towards Union’s 2030 targets and a climate neutral economy of the Union by 2050; takes note of the Commission appropriations in 2024 of EUR 1,486 billion; highlights its importance for addressing the social aspects of the transition, in particular creation of national social infrastructure and support to jobseekers, including up- and reskilling while ensuring a safety net for those left behind; highlights the need to establish a mechanism to monitor the implications of the Green transition on social coherence and

regional cohesion to ensure fairness and identify the needs for adequate public support;

12. Recalls the target in the Porto Declaration of 7 May 2021 to reduce the number of people at risk of poverty or social exclusion by at least 15 million by 2030, including at least 5 million children; considers that there is a need for higher ambition towards the actual eradication of poverty and social deprivation; takes note that, in 2024, EUR 4.8 billion of the ESF+ budget under shared management would be allocated on food aid and basic material assistance for the most deprived persons, thus going beyond the actual objective of 4% and highlighting the worrying increase in the number of deprived persons; calls on the Member States to ensure that low-income households are reached with measures that reduce their exposure to rising energy costs (insulation, solar panels); further encourages Member States to provide additional resources to support all households and businesses in their efforts to reduce energy consumption as part the green transition; stresses that homelessness is affecting many adults and children, and must be effectively prevented and addressed;
13. Regrets the further decrease in the allocation for the Budget line 07 20 04 06 (Specific competences in the area of social policy, including social dialogue); highlights that strong social dialogue is a key feature of the European social model; recalls the commitment of the Union to promote the role of social partners and to facilitate social dialogue, in line with Article 152 of the Treaty on the Functioning of the European Union; stresses the necessity to ensure adequate support for social dialogue and to develop and improve the capacity of social partners and to increase the allocation for this budget line, also in consideration of inflation; recalls furthermore that it is key to guarantee adequate support for information and training measures for workers' organisations, taking also into account the impact of inflation on staff expenditure in the budgets of the trade union institutes; in this framework, calls for increases to be included in budget line 07 20 04 09 (Information and training measures for workers' organisations); Is concerned that real wages are currently falling due to inflation and a series of exceptional energy price shocks; considers that there is an urgent need for wage increases in order to sustain internal demand and inclusive growth, and to reduce the impact of the double crisis on workers and households; considers that additional efforts are required within the EU budget and the MFF to help social partners achieve wage increases through tripartite capacity building frameworks, thereby accelerating the expected positive impact of the proposed directive on adequate minimum wages and its swift implementation;
14. Recalls the essential role of pilot projects (PPs) and preparatory actions (PAs) for testing new policy initiatives and collecting data in the fields of employment and social inclusion; calls on the Commission to evaluate PP/PA proposals impartially on the basis of a legal and financial assessment, in line with in the Interinstitutional agreement; further calls on the Commission to intensify the dialogue with the European Parliament on how innovative ideas could become eligible for new pilot projects and to provide detailed, clearer and more transparent feedback and explanations of its assessments, with concrete examples of the Union actions that are considered to 'cover' the proposals; also recalls that the implementation of an adopted PP/PA must remain faithful to the proposal;
15. Recalls that the agencies Eurofound, EU-OSHA, Cedefop, ETF and ELA play an

important role in providing Union institutions and countries with specialised knowledge notably on employment and social issues and that they must receive the necessary financial and human resources to fulfil their evolving tasks; notes that the 2024 estimates for agencies are in line with the budget programming and that an additional amount ( EUR 650,000 in 2024) is planned for Eurofound for the second year in a row to help it cope with the sharp increase in the coefficient corrector in Ireland; reiterates its previous call<sup>2</sup> to support ELA's call for transforming 15 seconded national experts posts into temporary agent posts and for two additional contractual agent posts - without budget impact, with a view to be able to attract and retain the necessary staff resources to fulfil its tasks and to bring the share of SNEs on ELA's staff closer to the standard situation of other EU agencies; considers that the expertise of the decentralised agencies should be better used;

16. Recalls the importance of budgetary accountability and prioritisation, while stressing at the same time the importance of flexibility and sufficient resources to respond to major crises and their social and labour implications; repeats its concern that the current high inflation puts a great pressure on the MFF ceilings leaving no margins available to tackle the biggest challenges in the annual budgetary procedure and long-term EU goals; reiterates therefore its calls for an urgent, comprehensive and ambitious revision of the current MFF; believes that the Commission proposal in this regards falls short of the EU ambitions to tackle current and future social challenges; welcomes the commitment to invest in European sovereignty, however regrets the lack of ambition of the Strategic Technologies for Europe Platform (STEP) proposal and reiterates its call for a fully-fledged European Sovereignty Fund<sup>3</sup> to ensure the EU's strategic autonomy, including investment in human capital and skilled labour, promote inclusive access to quality jobs and address shortages of labour and skills critical to key economic and industrial sectors; stresses the importance of mobilising fresh money to prevent the ESF+ funding from being diverted of its specific objectives; underlines the need for a solid, sustainable plan to cover increased interest costs on debt repayments under the Next Generation EU; fully endorses further financial aid to Ukraine and welcomes the newly proposed Ukraine Facility;
17. Calls on the Commission to develop a proper strategy for the mainstreaming of social objectives in Union spending; considers that a social mainstreaming methodology in the Union budget would be necessary in order to ensure that all Union-funded policies are supportive of the 20 principles defined in the European Pillar of Social Rights, and that all Union spending contributes to European social objectives; insists that the rules governing the use of Union funds must ensure and enhance compliance with the highest social rights and democratic principles, be aligned with the EPSR, the SDGs and the fundamental rights of workers; calls for the provisions to allow public money only to those employers respecting workers' rights and applicable working conditions; calls for more effective social conditionalities in rules on public procurement and concessions and for them to be backed with effective sanctions; encourages the European Commission to consider the creation of a comprehensive data base, in addition and related to the Eurostat data, that would allow timely and reliable monitoring of the developments in employment, living conditions and industrial relations; considers that

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<sup>2</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2023-0191\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TA-9-2023-0191_EN.pdf)

<sup>3</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2023-0053\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TA-9-2023-0053_EN.pdf)

detecting social risks and taking into account the divergent employment effects and long-term unemployment across particular industries should be adequately addressed; calls on the Commission therefore to present a tracking methodology for expenditure on Sustainable Development Goals (SDGs) within the EU's social budget based on the principles of the European Pillar of Social Rights and a Social Scoreboard and well-being indicators to measure the overall impact of different funds, instruments and facilities financed under the MFF and NGEU<sup>4</sup>;

18. Considers the protection and promotion of the multilingualism principle to be crucial, as it promotes the quality of democratic participation and transparency; calls, in this regard, for an adequate increase in the funding of interpretation and translation services by the EU institutions, including Parliament and the Commission, and to ensure maximum internalisation of these services and ensuring the health and safety at work of the workers that provide them;
19. Calls for the 2024 EU budget to pay attention to the needs of, and relations with, islands, outermost regions and territories, rural or remote areas, less accessible peripheries, mountainous areas or areas lagging behind, as they are particularly affected by the social and economic consequences of the current crises and are more vulnerable to the adverse impact of climate change;

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<sup>4</sup> EMPL position in the form of amendments on Guidelines for the 2024 Budget - Section III, 02-03-2023  
EMPL\_AD(2023)745178 PE745.178v01-00



## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	18.7.2023
<b>Result of final vote</b>	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">+:</div> <div>34</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">-:</div> <div>3</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">0:</div> <div>4</div> </div>
<b>Members present for the final vote</b>	Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Ilan De Basso, Jarosław Duda, Cindy Franssen, Chiara Gemma, Elisabetta Gualmini, Agnes Jongerius, Irena Joveva, Katrin Langensiepen, Elena Lizzi, Sara Matthieu, Jörg Meuthen, Max Orville, Sandra Pereira, Kira Marie Peter-Hansen, Dragoș Pîslaru, Elżbieta Rafalska, Daniela Rondinelli, Pirkko Ruohonen-Lerner, Mounir Satouri, Romana Tomc, Nikolaj Villumsen, Maria Walsh, Stefania Zambelli, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Alex Agius Saliba, Carmen Avram, Gheorghe Falcă, Aurore Lalucq, Carina Ohlsson, Evelyn Regner, Ralf Seekatz
<b>Substitutes under Rule 209(7) present for the final vote</b>	Andrey Novakov, Helmut Scholz

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

34	+
PPE	David Casa, Jarosław Duda, Gheorghe Falcă, Cindy Franssen, Andrey Novakov, Ralf Seekatz, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Sylvie Brunet, Jordi Cañas, Irena Joveva, Max Orville, Dragoş Pîslaru
S&D	Alex Agius Saliba, Marc Angel, Carmen Avram, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Elisabetta Gualmini, Agnes Jongerius, Aurore Lalucq, Carina Ohlsson, Evelyn Regner, Daniela Rondinelli
The Left	Sandra Pereira, Helmut Scholz, Nikolaj Villumsen
Verts/ALE	Katrin Langensiepen, Sara Matthieu, Kira Marie Peter-Hansen, Mounir Satouri

3	-
ECR	Pirkko Ruohonen-Lerner
ID	Dominique Bilde
NI	Jörg Meuthen

4	0
ECR	Chiara Gemma, Elżbieta Rafalska
ID	Elena Lizzi, Stefania Zambelli

Key to symbols:

+ : in favour

- : against

0 : abstention