



Brussels, 4.3.2021
COM(2021) 102 final

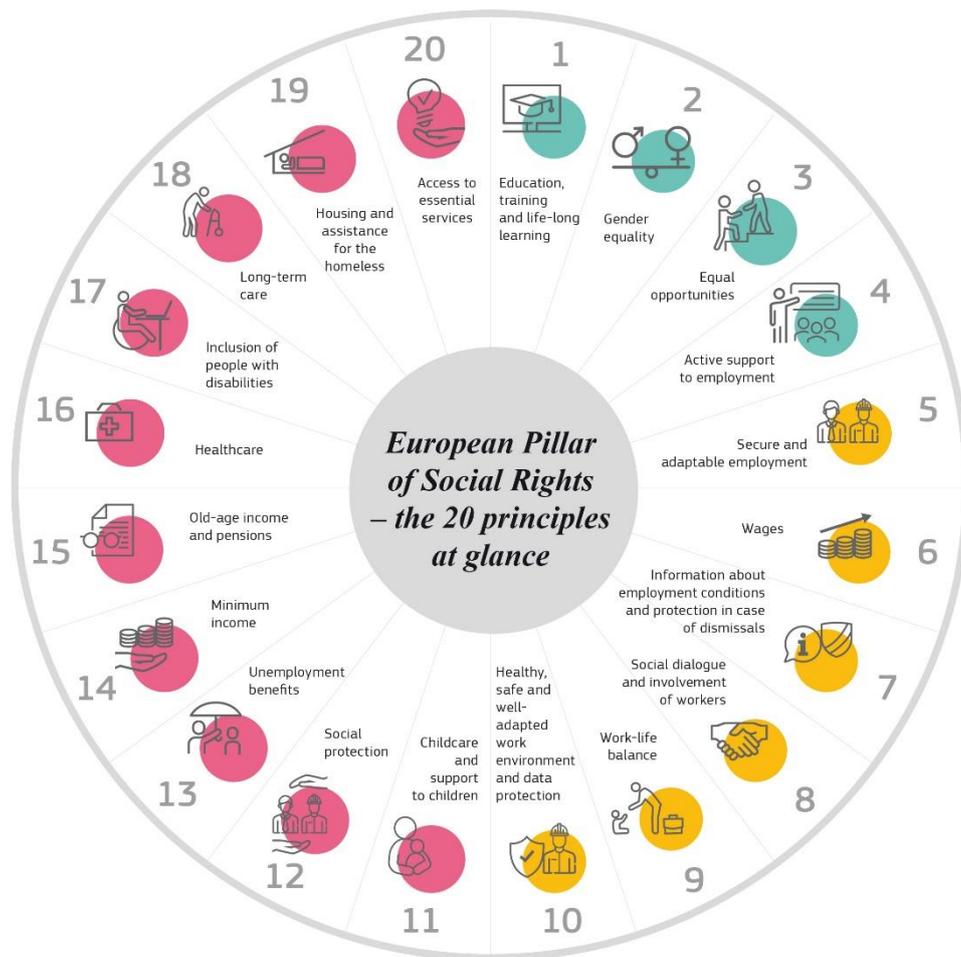
**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

The European Pillar of Social Rights Action Plan

{SWD(2021) 46 final}

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As we overcome the pandemic, as we prepare necessary reforms and as we speed up the twin green and digital transitions, I believe it is time to also adapt the social rulebook. A rulebook which ensures solidarity between generations. A rulebook that rewards entrepreneurs who take care of their employees. Which focuses on jobs and opens up opportunities. Which puts skills, innovation and social protection on an equal footing.

Commission President von der Leyen (speech to the European Parliament, 20 January 2021)

Change towards a greener, fairer and more inclusive future will entail short-term costs and challenges. That is why it is so important to accompany the change and to help communities and individuals adjust to the new world. This requires keen attention to social issues. The European Pillar of Social Rights should be implemented at EU and Member State level, with due regard for respective competences.

European Council, *A new strategic agenda for the EU 2019-2024*

The European Parliament [...] emphasises that progress towards a sustainable, fair and inclusive social Europe requires a strong shared commitment, both to the advancement of the UN 2030 Agenda and to the implementation and materialisation of the principles and rights contained in the European Pillar of Social Rights.

European Parliament Resolution on a strong social Europe for just transitions (17 December 2020)

1. A STRONG SOCIAL EUROPE FOR JUST TRANSITIONS AND RECOVERY

A strong Social Europe is about people and their well-being. Europe is home to the most equal societies in the world, the highest standards in working conditions, and broad social protection. Competitive sustainability¹ is at the heart of Europe's social market economy, striving for a sustainable and inclusive growth model that delivers the best for people and the planet. On this unique model rests Europe's social and economic resilience².

Europeans value this unique social and economic model and expect it to bring opportunities for all, irrespective of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Union's ambition is to make good on the promise of shared prosperity. This is also the promise of the European Pillar of Social Rights proclaimed by the European Parliament, the Council and the Commission in 2017.

Climate change and environmental challenges, digitalisation, globalisation and demographic trends are fast changing our daily lives. COVID-19 has exposed Europe to further drastic changes in our jobs, education, economy, welfare systems and social life. It is at times of deep transformations such as these, that our social fabric is put to the test. Europeans continue, legitimately, to hold on the promise of a performant social market economy, with jobs that allow a decent living and protection in times of need. Nine out of ten Europeans consider that social Europe is important for them and should offer equal opportunities and access to the labour market, as well as fair working conditions and social protection³. Improving and adapting our 'social rulebook' – fostering an economy that works for people and promoting social progress – is at the heart of Europe's response to these changes.

The strong national and EU-level policy response to the COVID-19 pandemic has been successful in limiting its employment and social consequences. With strong unity and coordination, European solidarity has provided support for Member States to put in place short-time work schemes and similar job retention measures to curb unemployment in the health emergency. This has helped to sustain employment, incomes, and the economy.

The same unity, coordination and solidarity will be needed also in the years ahead to bounce forward towards a greener and more digital decade in which Europeans can thrive. Although in varying degrees, the challenges ahead are similar across all Member States. We need to strive for a new 'social rulebook' that ensures solidarity between generations and creates opportunities for all, rewards entrepreneurs who take care of their employees, focuses on jobs and promotes better living and working conditions, invests in high-quality and inclusive education, training, skills and innovation, and ensures adequate social protection for all. We need to enhance social rights and to strengthen the European social dimension across all policies of the Union as enshrined in the Treaties⁴. This will ensure that the transition to climate-neutrality, digitalisation and demographic

¹ As indicated in the Annual Sustainable Growth Strategy 2021 COM(2020) 575 final.

² COM(2020) 493 final of 9 September 2020.

³ Special Eurobarometer 509 on social issues, March 2021

⁴ Treaty on European Union and the Treaty on the Functioning of the European Union 2016/2020-03-01, cfr Art. 3 and Art. 9.

change are socially fair and just, and making the European Green Deal and the upcoming 2030 Digital Decade successes for all Europeans.

The 20 principles of the European Pillar of Social Rights are the beacon guiding us towards a strong Social Europe and set the vision for our new ‘social rulebook’. They express principles and rights essential for fair and well-functioning labour markets and welfare systems in 21st century Europe. Some principles reaffirm rights already present in the Union acquis; others set clear objectives for the path ahead as we address the challenges arising from societal, technological and economic developments.

The effective implementation of the European Pillar of Social Rights is now more important than ever and greatly depends on the resolve and action of Member States, who primarily hold responsibility for employment, skills and social policies.

EU-level actions can complement national actions and **this Action Plan is the Commission’s contribution to the implementation of the Social Pillar principles**, in line with the calls from European Leaders⁵ and the European Parliament.

The Action Plan draws on a large-scale consultation launched about a year ago⁶ where more than 1000 contributions were received from citizens, EU institutions and bodies, Member States, regional and local authorities, social partners and civil society organisations⁷. The Action Plan sets out a number of EU actions that the Commission is committed to take during the current mandate, building on the many actions taken since the proclamation of the European Pillar of Social Rights in Gothenburg⁸. It also puts forward three EU-level targets to be achieved by 2030 and that will help to steer national policies and reforms.

The Porto Social Summit in May 2021 will be an occasion to rally forces to renew, at the highest political level, the commitment to implement the Social Pillar. This Action Plan constitutes the Commission’s contribution to the Porto Social Summit. The Commission calls on Member States, social partners and other relevant actors, such as regional and local authorities as well as civil society, to join in a collective endeavour to accelerate the implementation of the Pillar within their respective spheres of competence, and swiftly make its principles a reality. So that a strong Social Europe continues to be a model for the world.

2. THREE EU TARGETS TO SET THE AMBITION FOR 2030

A strong Social Europe is the foundation not only of our citizens’ prosperity and well-being but also of a competitive economy. A skilled innovative workforce, capable of shaping and adapting to the green and digital transitions will be key to this.

⁵ European Council, 20 June 2019, A new strategic agenda for the EU 2019-2024.

⁶ COM(2020) 14 final of 14 January 2020.

⁷ The results of the consultation are presented in the Staff Working Document accompanying this Communication (SWD(2021) 46).

⁸ The accompanying Staff Working Document (SWD(2021) 46) and Annex 1 to this Communication describes these actions.

However, as Europe enters a new decade, progress still needs to be made to reach high levels of employment, skills and employability, and robust social protection systems. In December 2020, 16 million people were out of work and youth unemployment was at 17.8%, considerably higher than general unemployment. Low-skilled, low-paid workers, and temporary workers were the first to be laid-off due to the COVID-19 outbreak. Migrants' participation in the labour market was also disproportionately affected by the pandemic⁹. Although skills are essential to equip people for the new green and digital jobs and help shield workers from unemployment, under 40% of adults participate in any form of training every year and still too many young people have only a low level of skills or do not reach upper secondary education level¹⁰. Women who, in 2018 still earned on average 14% less than men, continue to shoulder the bulk of care responsibilities in the household and struggle to enter and remain in the labour market, with consequences also on their pensions. Before the pandemic, 91 million people were at risk of poverty or social exclusion and 22.2% of children lived in poor households. Approximately 700,000 people are estimated to sleep on the streets across Europe on any given night.

With unemployment and inequalities expected to increase as a fallout of the pandemic, focusing our policy efforts on quality job creation, up- and reskilling and reducing poverty and exclusion is therefore essential to channel our resources where they are most needed.

The Commission proposes three EU headline targets to be achieved by the end of the decade in the areas of employment, skills, and social protection, consistent with the UN Sustainable Development Goals¹¹. Together with the objectives enshrined in the principles of the Pillar and the financial support of the Multi-Annual Financial Framework (MFF) 2021-2027¹² and NextGenerationEU¹³, the targets will guide our joint efforts towards a strong Social Europe and reaching a sustainable impact. Complementing the EU's bold political goals set for the green and digital transitions, social targets will help focus policy efforts on reaching results and constitute an important incentive for reform and investment in the Member States. They can guide policy decisions in the Member States and their regions, including in the context of national recovery and resilience plans under the Recovery and Resilience Facility (RRF) and in line with the relevant country-specific recommendations¹⁴, as well as in the context of programming the 2021-2027 Cohesion policy funds. They will also allow to measure and monitor progress towards the ambitions and political commitment of the Pillar.

⁹ <http://www.oecd.org/coronavirus/policy-responses/what-is-the-impact-of-the-covid-19-pandemic-onimmigrants-and-their-children-e7cbb7de>.

¹⁰ According to [PISA 2018](#), one in five young Europeans still lack adequate reading, maths or science competences.

¹¹ United Nations, 21 October 2015, A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development.

¹² https://ec.europa.eu/info/publications/adopted-mff-legal-acts_en.

¹³ https://ec.europa.eu/info/strategy/recovery-plan-europe_en#nextgenerationeu.

¹⁴ Regulation (EU) 2021/241 of 12 February 2021.

While the majority of the instruments for achieving them are competence of the Member States, the EU targets reflect a common ambition by 2030 to which this Action Plan offers an important contribution.

➤ **At least 78% of the population aged 20 to 64 should be in employment by 2030**

With an employment rate in the EU of 73.1% in 2019, the Europe 2020 employment rate target of 75% was almost reached. Despite the EU's best efforts, the COVID-19 crisis has put a halt on a 6-year positive employment progress, with an employment rate of 78.3% for men and 66.6% for women by the third quarter of 2020. By setting a new headline target for 2030, the EU reaffirms its commitment to an inclusive high employment rate. In order to achieve this overall goal, Europe must strive to:

- **at least halve the gender employment gap** compared to 2019. This will be paramount to progress on gender equality and achieve the employment target for the entire working age population.
- **increase the provision of formal early childhood education and care (ECEC)**, thus contributing to better reconciliation between professional and private life and supporting stronger female labour market participation.
- **decrease the rate of young people neither in employment, nor in education or training (NEETs) aged 15-29 from 12.6% (2019) to 9%**, namely by improving their employment prospects.

Making sure other under-represented groups – e.g. older people, low skilled people, persons with disabilities, those living in rural and remote areas, LGBTIQ people, Roma people and other ethnic or racial minorities particularly at risk of exclusion or discrimination as well as those with a migrant background – participate in the labour market to the maximum of their capacity will also contribute to a more inclusive employment growth. People currently discouraged from actively seeking employment must be encouraged to participate in the labour market for it to rebound quickly.

As working lives are extended across the EU due to ageing and policy reforms, the current statistical notion of 'working age population' from 20 to 64 warrants examination. The Commission will undertake analytical and statistical work in cooperation with Member States with a view to adjust the current indicator at the occasion of the review of this Action Plan.

➤ **At least 60% of all adults should participate in training every year**

In the context of recovery and of the twin transitions, increasing adult participation in training to 60% is paramount to improve employability, boost innovation, ensure social fairness and close the digital skills gap. Yet, by 2016 only 37% of adults were participating in learning activities each year. For the low-qualified adults this rate only reached 18%. A key factor of success to ensure that adults are able to engage in up- and reskilling later in life is a strong foundation of basic and transversal skills acquired in initial education and training, in particular among disadvantaged groups. In 2019, 10.2% of young people left education and training with maximum lower secondary education and were not anymore involved in education and training activities. These figures risk to

worsen as a result of the current crisis. Efforts must therefore be strengthened to increase adult participation in training and to improve the levels of achievement in initial education and training. In particular:

- **at least 80% of those aged 16-74 should have basic digital skills**, a precondition for inclusion and participation in the labour market and society in a digitally transformed Europe.
- **early school leaving should be further reduced** and participation in upper secondary education increased.

These targets build on those set out in **the European Skills Agenda¹⁵, the Council Recommendation on Vocational education and training¹⁶, and in the Council Resolution on the European Education Area¹⁷.**

➤ **The number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030**

Poverty and social exclusion have declined in the EU in the last decade. In 2019, around 91 million people (out of which 17.9 million were children aged 0-17) were at risk of poverty or social exclusion in the EU, close to 12 million less than in 2008, and around 17 million less than the peak in 2012. Still, the ambitious Europe 2020 social target of a 20 million reduction was not met. The COVID-19 pandemic is expected to worsen the situation, leading to higher levels of financial insecurity, poverty and income inequality in the short term. Out of 15 million people to lift out of poverty or social exclusion, **at least 5 million should be children**. The focus on children will allow not only to provide them with access to new opportunities but will also contribute to break the intergenerational cycle of poverty, preventing that they become adults at risk of poverty or social exclusion and thus producing long-term systemic effects.

These three 2030 headline targets are deemed ambitious and realistic at the same time. Although the level of uncertainty linked to the pandemic and its consequences on our societies and economies does not allow to predict fully the progression expected in the coming years, the targets proposed reflect the most recent economic forecasts, the impact of the COVID-19 crisis as reflected by the most recent data available and past experiences (namely the evolution after the financial crisis)¹⁸.

Striving to achieve them is necessary for Europe to maintain its leadership in terms of promoting people's well-being. Even though progress is likely to vary during the period until 2030 and across Member States, achieving them is within reach if, taking into consideration each country's starting position, all Member States join in a common effort and take action to fulfil them with a view to fostering upward convergence and well-being. **The Commission invites the European Council to endorse these three targets.**

¹⁵ COM/2020/274 final of 1 July 2020.

¹⁶ Council Recommendation C 417/01 of 24 November 2020.

¹⁷ Council Resolution 2021/C 66/01 of 22 February 2021

¹⁸ Insert details on the projections, see the Staff Working Document (SWD(2021) 46) accompanying this Communication for an overview.

It also calls on the Member States to define their own national targets, as a contribution to this common endeavour.

These new targets will be supported by a revision of the Social Scoreboard. The revised Scoreboard will track Member States' trends and performances, enabling the Commission to monitor progress towards the implementation of the Social Pillar principles as part of the well-established policy coordination framework in the context of the European Semester.

3. IMPLEMENTING THE PRINCIPLES OF THE SOCIAL PILLAR

Since the proclamation of the Social Pillar at the Gothenburg Summit in 2017, significant measures have already been adopted¹⁹ at EU, national, regional or local levels with support from EU funds, technical support and guidance through the European Semester process and recommendations to reinforce the EU social dimension²⁰. Now it is time to make a concerted effort – with the involvement of all levels of governance, social partners and other actors – to fully implement the Social Pillar principles. The sections that follow concentrate on areas in which further attention is needed, not just in the current context of recovery but also in the longer term, in order to build a stronger Social Europe by 2030 for the benefit of all Europeans.

3.1 MORE AND BETTER JOBS

Creating job opportunities in the real economy

Today, preserving and creating new jobs is a priority for the EU. Having a quality job is a key source of income, purpose, and accomplishment, and it is essential for social inclusion and active participation in society. Over 14.5 million jobs were added to the EU economy between 2014 and 2019. However, the coronavirus crisis brought this trend to a halt, and many Europeans have seen their livelihood and employment prospects put at risk.

In the immediate response to the crisis, EU and national measures were able, to a large extent, to cushion the negative impact. Short-time work schemes have been effective in preserving employment in the context of the pandemic and should remain in place where necessary. The European instrument for temporary support to mitigate unemployment risks in an emergency (SURE)²¹ follows from the political guidelines of the Commission, as a tool to protect our citizens during external shocks. It provides loans to fund short-time work schemes and similar measures, in particular for the self-employed. The EU issued the first-ever EU Social Bonds to fund these loans, also contributing to developing social finance in Europe. By the end of 2020, a total of EUR

¹⁹ <https://ec.europa.eu/social/BlobServlet?docId=20980&langId=en>.

²⁰ See the Staff Working Document (SWD(2021) 46) accompanying this Communication for an overview and Annex 1 to the Communication.

²¹ Council Regulation (EU) 2020/672 of 19 May 2020.

90.3 billion in financial support was approved under the instrument, to help 18 Member States. By the beginning of February 2021, 15 EU countries have received around EUR 53.5 billion under SURE, with more to come. We will carefully evaluate the successful experience of SURE in the coming years.

Yet, as Europe moves from crisis response to recovery, more forward-looking support to quality job creation and employment is necessary in order to build a sustainable path towards the 2030 employment target of 78%. Due to the pandemic, many sectors are unlikely to recover fully for some time, and many companies will emerge from this crisis in a state of financial distress. Restoring and promoting a fully functioning single market is imperative to support the recovery and maximise job creation potential across economic ecosystems. In this context, a strategic approach is needed to gradually transition from emergency measures into those that can contribute to the recovery. Investment in people is essential to facilitate job-to-job transitions towards the green and digital sectors, and to support restructuring in sectors most affected by the pandemic. New policy solutions should comprise a coherent set of active labour market policies, including temporary hiring and transition incentives, skills policies and improved employment services, making full use of the available EU funds. Measures can include, for example, support to apprenticeships and entrepreneurship or re-employment plans designed to support workers at risk of unemployment. Investment in skills required in emerging sectors should be prioritised to provide real job perspectives to workers at risk of redundancy or already unemployed. **To support a job-rich recovery in Member States following the COVID-19 crisis, the Commission presents, together with this Action Plan, a Commission Recommendation for Effective Active Support to Employment (EASE)²² providing guidance on the combination of policy measures and available funding to promote job creation and job-to-job transitions towards expanding sectors, notably digital and green.**

In this process of change, cooperation with employment services and dialogue between social partners is of essence to foster socially responsible restructuring²³. Social dialogue, information, consultation and participation of workers and their representatives at different levels (including company and sectoral level) play an important role in shaping economic transitions and fostering workplace innovation, in particular with a view to the ongoing twin transitions and the changes in the world of work. At EU level, a comprehensive framework of Directives on the information and consultation of workers, at both national and transnational levels²⁴, establishes rules to protect their rights in restructuring processes. National authorities and social partners must adhere to these rules. Specific modalities to improve implementation and enforcement of these directives could be envisaged. Investment in the modernisation of public employment services (PES), including through eligible measures under the RRF and the Cohesion Funds, can increase their capacity to face higher levels of

²² C(2021) 1372 of 4 March 2021.

²³ <https://ec.europa.eu/social/main.jsp?catId=782&langId=en>.

²⁴ Directives 98/59/EC, 2001/23/EC, 2002/14/EC, 2009/38/EC, 2001/86 EC.

unemployment in the aftermath of the pandemic, and to support an increasing flow of workers between sectors.

Special attention needs to be devoted to young people and the low skilled, who are more vulnerable to the fluctuations in the labour market. They need additional support because: many worked in the sectors most affected by the pandemic such as tourism; others, after finishing their studies, had fewer opportunities to enter the labour market for the first time; and others had to interrupt their education or training and could not obtain their qualifications as planned. The reinforced Youth Guarantee²⁵ provides guidance towards a stable labour market integration with a focus on quality employment. This will be supported by NextGenerationEU and the MFF, mainly through the European Social Fund Plus (ESF+) with support from the RRF for eligible measures. The Commission reiterates its call to Member States to dedicate at least EUR 22 billion to youth employment support²⁶. Traineeships or internships allow to gain practical and first-hand experience. They are usefully facilitating young people's access to the labour market. Yet, this aim can only be achieved if traineeships are of good quality and apply fair working conditions.

Support to employment and workers cannot be successful without support to companies and entrepreneurs. A vibrant industry remains central to Europe's future prosperity and a key source of new jobs. European industry employs around 35 million people, with many millions more jobs linked to it. With its New Industrial Strategy²⁷ and the Circular Economy Action Plan²⁸, launched in March 2020, the Commission laid the foundations for an industrial policy that stimulates innovative and competitive industrial ecosystems. Our ambitions have not changed and we have to accelerate the recovery. The strategy will be updated to continue ensuring Europe's competitive edge and resilience so that industry can drive the green and digital transformations.

Small and medium-sized enterprises (SMEs) also play a key role in a job-rich recovery²⁹. Just before the pandemic, 50% of SMEs with at least 10 employees had increased their employment in the three previous years and 44% of SMEs had plans to grow the number of their employees. Those that had innovated were more likely to increase their employment compared to those who had not. The services sector alone, highly dominated by SMEs, accounts for around 70% of EU gross domestic product (GDP) and employment, creating most of the new jobs. A case in point is the health and social care sector, whose growth potential is estimated at 8 million job openings in the next 10 years. Women are overrepresented in this part of the workforce providing both formal and informal (and unpaid) care. Particularly hit by the pandemic, small businesses and the self-employed have faced severe difficulties in staying afloat. Reinforced support to SMEs and entrepreneurship, including female entrepreneurship, is therefore paramount to help them rebuild their activities and to stimulate innovative start-ups to flourish in the course of the EU recovery.

²⁵ Council Recommendation (C 372/01) of 30 October 2020.

²⁶ COM (2020) 276 final of 1 July 2020.

²⁷ COM (2020) 102 final of 10 March 2020.

²⁸ COM(2020) 98 final of 11 March 2020.

²⁹ COM (2020) 103 final of 10 March 2020.

New opportunities will also stem from the social economy, which creates jobs while addressing key societal challenges in a wide range of sectors, often through social innovation. Paid employment in the social economy varies from less than 1% to 10% of the total workforce across Member States, revealing a major untapped economic potential.

The Commission will:

- Review in 2022 the Council Recommendation on the **Quality Framework for Traineeships**, notably as regards working conditions.
- Building on the implementation of the 2020 Industrial strategy and on the lessons learned from the COVID-19 pandemic, update the new **Industrial Strategy for Europe** in Q2 2021.
- Adopt an **Action Plan on the Social Economy** in Q4 2021, and tap into the potential of the social economy to create quality jobs and contribute to fair, sustainable and inclusive growth.
- Evaluate the **experience of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)**.

The Commission encourages:

- Member States to design and implement coherent packages of measures promoting **Effective Active Support to Employment (EASE)** following the COVID-19 crisis, making full use of the EU funds available for this purpose.
- Member States to implement the reinforced **Youth Guarantee** with a particular focus on quality offers that support a stable labour market integration, using EU financial support.
- National authorities and social partners to ensure the **information and consultation of workers during restructuring processes** as required by EU rules and to **promote the participation of workers at company level** with a view to fostering workplace innovation.
- National, regional and local authorities to support **entrepreneurship**, including female entrepreneurship, and contribute to the creation of an enabling environment for the digitalisation, sustainability and resilience of SMEs.
- National, regional and local authorities, together with industry, including SMEs, social partners and researchers, to contribute to the Commission's work on **industrial ecosystems** – with a focus on cross-border and cross-ecosystem collaboration, including through the Industrial Forum³⁰.

Making work standards fit for the future of work

Working conditions in the EU are among the best in the world. EU law sets minimum requirements on working conditions, working time, health and safety at work,

³⁰ https://ec.europa.eu/growth/industry/policy/dialogue-expert-advice_en

and the equal treatment of persons regardless of sex, ethnic or racial origin, disability, religion or belief, age or sexual orientation. It also guarantees equal treatment of mobile workers with nationals in access to employment, working conditions and all other social and tax advantages. Yet, the world of work is in permanent change, particularly due to digitalisation. New forms of work organisation and employment relationships are emerging and bring new opportunities and challenges. Reaching full employment will require not only a significant increase in labour market participation but also adequate working conditions underpinning quality jobs, which is a key responsibility of employers. Taxation should be shifted away from labour to other sources more supportive to employment and in line with climate and environmental objectives, while protecting revenue for adequate social protection.

A first challenge to address is in-work poverty and inequality. EU labour markets are facing an increasing share of low-paid and low-skilled occupations, and the erosion of traditional collective bargaining structures in some countries. To monitor these trends, Eurofound will continue to provide evidence about the evolution of industrial relations and wages across the EU, including living wages and remuneration of the self-employed.

Ensuring that jobs pay an adequate wage is essential to guarantee adequate working and living conditions for workers and their families, as well as to build fair and resilient economies and support inclusive growth. In October 2020, in order to ensure minimal standards across the EU on adequate minimum wages while supporting collective bargaining, the Commission presented a proposal for a directive on adequate minimum wages³¹, in full respect of national traditions and the autonomy of social partners.

Another important emerging trend is the blurring of traditional lines between a worker and a self-employed person, and a growing heterogeneity among the self-employed. A case in point is the emergence of vulnerable self-employed working through platforms and operating under precarious conditions. The pandemic has highlighted this for delivery workers, in particular regarding their access to social protection, and health and safety risks. The Commission is therefore gathering evidence on the working conditions for people working through platforms in particular. In line with Art. 154 TFEU, in February 2021, the Commission launched a social partners' consultation on the possible direction of EU action³². In June 2020, the Commission also launched an initiative³³ to ensure that EU competition law does not stand in the way of improving working conditions through collective agreements for the self-employed who need it.

The accelerated digitalisation of workplaces also puts the spotlight on issues related to surveillance, the use of data, and the application of algorithmic management tools. Artificial intelligence (AI) systems are often applied to guide recruitment, monitor

³¹ COM(2020)682 of 28 October 2020.

³² C(2021) 1127 final of 24 February 2021.

³³ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1237 and https://ec.europa.eu/commission/presscorner/detail/en/mex_21_23.

workloads, define remuneration rates, manage careers or increase efficiency of processes and when performing high-exposure tasks. Addressing the challenges of algorithmic decision-making, notably the risks of biased decisions, discrimination and lack of transparency, can improve trust in AI-powered systems, promote their uptake and protect fundamental rights.

Telework has become the norm for many because of the pandemic, and it is likely to remain common in the long term. Being able to work from anywhere at any time has been crucial for business continuity. Telework offers opportunities for synergies and efficiencies on work-life balance: reduced travel and fatigue, as well as more flexible organisation of professional and private life can lead to productivity gains and to a positive green impact. At the same time, generalised teleworking raises the need to reflect, for example, on the boundaries of contractual working time, and the balance between work and personal life.

Both developments – digitalisation and telework – warrant a wide policy debate with all relevant stakeholders, notably social partners. In June 2020, cross-industry social partners signed an Autonomous Framework Agreement on Digitalisation, including a section on modalities of connecting and disconnecting³⁴. On 21 January 2021, the European Parliament adopted a Resolution based on the legislative own-initiative report on the right to disconnect³⁵. The resolution calls on the Commission to put forward a proposal for a directive on minimum standards and conditions to ensure that workers are able to exercise their right to disconnect. The Resolution also highlights the fundamental role that social partners have in identifying and implementing measures with regard to the right to disconnect and in finding the right balance between reaping the opportunities brought by digitalisation for the workplace and tackling the challenges they pose. To this effect, as a first step, the Parliament’s Resolution recommends that social partners take implementing measures within a 3-year time framework.

As referred in the Commission Political Guidelines, the Commission is committed to responding to the European Parliament’s own-initiative resolutions on the basis of Article 225 TFEU with a legislative act, in full respect of the proportionality, subsidiarity and better law-making principles. Any Commission proposal for a legislative act related to the right to disconnect must be subject under Article 154 TFEU to consultation of the EU social partners, who may decide to act by means of agreements.

The Commission invites social partners to find commonly agreed solutions to address the challenges raised by telework, digitalisation and the right to disconnect. The Commission will assess existing practices and rules related to the right to disconnect and will proactively support social partners in their endeavour, facilitating discussions and the identification of best practices. The future implementation report of the Working Time

³⁴ <https://ec.europa.eu/social/main.jsp?catId=521&langId=en&agreementId=5665>.

³⁵ https://www.europarl.europa.eu/doceo/document/TA-9-2021-0021_EN.pdf.

Directive³⁶ will also provide an opportunity to reflect further on the implications of remote work on working time.

The Commission will:

- Present in Q4 2021 a **legislative proposal on the working conditions of platform workers**, following the consultation of social partners.
- Put forward an initiative in Q4 2021 to ensure that **EU competition law** does not stand in the way of collective agreements for (some) self-employed.
- Following the White Paper on Artificial Intelligence, propose **an EU regulation on AI** in Q2 2021, for the uptake of trustworthy AI use in the EU economy, including in the workplace for all forms of work.
- Present in 2022 a report on the **implementation of the Working Time Directive**.
- Ensure an appropriate **follow-up to the European Parliament Resolution** with recommendations to the Commission on the **right to disconnect**.

The Commission encourages:

- Social partners to follow-up on their **Autonomous Framework Agreement on Digitalisation**, notably in relation to the modalities for connecting and disconnecting, and to explore: 1) measures to ensure fair telework conditions and 2) measures to ensure that all workers can effectively enjoy a right to disconnect.

Occupational safety and health standards for a new world of work

Improving occupational safety and health standards is not only essential to protect workers' safety and health but it is also beneficial for labour productivity, employment and the economy overall. Work-related accidents and illnesses lead to an estimated annual loss of around 3.3% of GDP in the EU. Over the past decade, the European occupational safety and health (OSH) policy framework and rules have contributed to considerably improving working conditions. The incidence rate of fatal accidents at work has fallen by nearly 30%.

An update of the EU's occupational safety and health strategic framework is required due to the rapid technological and societal changes. The pandemic underlined that adequate health and safety measures are indispensable. The acceleration of digitalisation is transforming the very notion of a work environment, the nature and content of work performed, working-time arrangements and workplace relationships. In this context, psychosocial and organisational risk factors may give rise to higher levels of work-related stress, poor mental health as well as ergonomic and safety risks. This is especially challenging for micro enterprises and SMEs.

Ensuring healthy and safe work environments is therefore vital to protect workers, uphold productivity, and to allow for a sustainable economic recovery. The new EU Occupational Safety and Health Strategic Framework will set the key principles and

³⁶ Directive 2003/88/EC of 18 November 2003.

objectives for coordinated action of Member States, social partners and other stakeholders to improve the health and safety of workers.

The Commission will:

- Present in Q2 2021 a **new Occupational Safety and Health Strategic Framework 2021-27**, to update protection standards for workers and tackle traditional and new work-related risks.
- Subject to the outcome of the ongoing consultation of social partners, present legal proposals in 2022 to **further reduce workers' exposure to hazardous chemicals including asbestos**³⁷.

The Commission encourages:

- Public authorities and social partners to ensure the **application and enforcement of existing rules**.

Labour mobility

Mobility is at the heart of the European project. In recent years, the Commission has proposed an ambitious agenda for fair labour mobility. It included the reform of EURES³⁸, the review of the rules on posting of workers³⁹, the revision of social security coordination rules⁴⁰, policy guidance⁴¹ and new social rules for road transport mobile workers (including on posting of drivers)⁴², the fight against undeclared work and the creation of a European Labour Authority (ELA)⁴³. The focus now is on the full implementation and enforcement of these rules. The Commission, together with ELA, will provide support to national authorities and labour inspectorates, for instance through capacity building and provision of information on rights and obligations when working abroad.

The COVID-19 pandemic has shone a light on the precarious working conditions of many mobile workers, including seasonal workers. Protecting and improving their rights and working conditions, while making labour mobility work seamlessly for businesses and administrations, is key for a well-functioning internal market. The Commission set out steps for better implementation and enforcement of single market rules, including in the context of labour mobility, in its long term action plan⁴⁴. The Commission adopted guidelines on the free movement of workers⁴⁵ and on seasonal workers⁴⁶ in the EU in the context of the COVID-19 outbreak. As a follow-up, evidence is being gathered on the use of temporary agency work, in particular in the context of

³⁷ Following the social partners' consultation launched on 17 December 2020 (C(2020) 8944 final).

³⁸ [EURES portal](#).

³⁹ Directive (EU) 2018/957 of 28 June 2018.

⁴⁰ COM(2016) 815 final of 14 December 2016.

⁴¹ COM(2020) 789 of 9 December 2020

⁴² [Regulation \(EU\) 2020/1054 of 15 July 2020](#).

⁴³ Regulation (EU) 2019/1149 of 20 June 2019.

⁴⁴ COM(2020) 94 final of 3 March 2020.

⁴⁵ 2020/C 102 I/03 of 30 March 2020.

⁴⁶ C(2020) 4813 final of 16 July 2020.

cross-border work. This will provide the basis for the Commission to assess the need for legislative or other action at EU level, notably a possible revision of the Temporary Agency Work Directive⁴⁷.

The Commission will:

- Work with the European Labour Authority (ELA) on the proper implementation and enforcement of EU labour mobility rules, on capacity building for information and labour inspections at national level, and on the protection of mobile workers, including seasonal workers. **In 2024, the Commission will evaluate the Authority’s performance in relation to its objective and tasks and potentially re-assess the scope of its mandate.**

The Commission encourages:

- The European Parliament and the Council to conclude negotiations on the **revision of social security coordination rules.**
- Public authorities and social partners to cooperate in order to **protect the rights of mobile workers, including seasonal workers.**

3.2 SKILLS AND EQUALITY

Investing in skills and education to unlock new opportunities for all

A skilled workforce is the motor of a prosperous green and digital economy, powered by innovative ideas and products, and technological developments. Education and training systems play a key role in laying the foundations for lifelong learning, employability and participation in society. Investment in learning needs to be pursued since any learning losses will have long-term negative consequences on productivity and GDP growth.

The green and digital transitions further amplify the need for continuous investment in education and training systems. Initial education and training, including early childhood education and care, provide the foundations on which to build the basic and transversal skills needed in fast-changing societies; they also form the basis for any further learning and skills development. An important success factor to ensure that children, youngsters and adults alike have access to modern education and training is that schools and vocational and training centres themselves are modernised. The promotion of environmental sustainability starts at an early age. The Commission will propose a Council Recommendation⁴⁸ to help integrate biodiversity and ecosystems in education and training. Furthermore, the Green Deal flagships under the RRF such as “*Power up*”, “*Renovate*” and “*Recharge and Refuel*” will support the acquisition of new green skills and open new job opportunities related to green technologies.

⁴⁷ Directive 2008/104/EC of 19 November 2008.

⁴⁸ COM(2020) 625 final of 30 September 2020.

Moreover, the Digital Education Action Plan 2021-27⁴⁹, including the forthcoming European Digital Education Hub, aims at supporting the development of a high-performing digital education ecosystem in Europe and at enhancing digital skills and competences to address the digital transformation for all. These objectives became even more relevant with the COVID-19 crisis, when children and young people from disadvantaged backgrounds have been facing major obstacles in accessing online learning and continuing education and training.

Higher Education institutions and vocational education and training (VET) ensure that our current and future workforce has the appropriate skills and can contribute to the recovery. The European Education Area, the 2020 Skills Agenda⁵⁰, the Digital Education Action Plan and the Council Recommendation on VET for sustainable competitiveness, social fairness and resilience⁵¹ support Member States in addressing these challenges. The European Research Area is also a cornerstone to making Europe competitive and sustainable and unlocking opportunities through innovation⁵².

In order to reach the 2030 skill target of 60% of adults participating in learning every year, sustained public and private investment is needed to facilitate access to training for people of working age. The reinforced EU funding provides unprecedented opportunities: the ESF+⁵³, with a EUR 88 billion budget⁵⁴, will remain an important funding source for skills, education and training; and Erasmus+⁵⁵, with a dedicated budget of more than EUR 26 billion⁵⁶, will contribute to skills development and investments in education and training systems, including projects such as European Universities and Centres of Vocational Excellence. Member States will also benefit from the European Regional Development Fund (ERDF) to support training infrastructure and equipment and from the Technical Support Instrument⁵⁷ to set up inclusive strategies for up- and re-skilling of adults, to design certification and validation systems as well as to foster learning continuity and mobility across VET providers.

The RRF, as illustrated in the ‘reskill and upskill’ flagship component proposed by the Commission and in the Commission Recommendation on Effective Active Support to Employment (EASE) presented together with this action plan, can also facilitate investment and reforms in this area. New private investments from both big and small companies also need to be encouraged. Part of the new Skills Agenda, the Pact for Skills⁵⁸ launched in November 2020 is a shared engagement model across regions, sectors and value chains, for companies committed to skilling their workforce. An expert group on investing in education and training will support Member States in designing efficient and effective funding.

⁴⁹ Digital Education Action Plan 2021-2027.

⁵⁰ COM (2020) 274 final of 1 July 2020.

⁵¹ Council Recommendation (C 417/01) of 24 November 2020

⁵² COM/2020/628 final of 30 September 2020.

⁵³ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_225

⁵⁴ 2018 prices.

⁵⁵ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2317

⁵⁶ Made up of € 24.5 billion in current prices and an additional top-up of EUR 1.7 billion in 2018 prices.

⁵⁷ Regulation (EU) 2021/240 of 10 February 2021.

⁵⁸ <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

Empowering individuals to participate in learning throughout their lives and careers also requires rethinking policies. As set out in the 2020 Skills Agenda, entitlements in the form of individual learning accounts can put Europeans in the driving seat of their careers, while unlocking the financial means to participate in training. Accompanied by well-designed quality frameworks, as well as guidance and validation of skills, they can play an important role. Innovative instruments like micro-credentials can facilitate flexible learning pathways and support workers on their job or during professional transitions. More emphasis on training in collective agreements between social partners can improve access to quality training opportunities at the workplace, including for apprenticeships.

Europe's recovery also requires attracting new talent. Europe's ageing and shrinking population puts a structural pressure on the labour market, with skill shortages in different regions and sectors. As outlined in its New Pact on Asylum and Migration⁵⁹, the Commission aims to ensure that the EU legal migration framework benefits European societies and economies, by attracting talent and facilitating the admission of workers of different skills levels the EU needs and the intra-EU mobility of third-country workers already in the EU. The Action Plan on Integration and Inclusion promotes among other things employment opportunities and skills recognition of people with a migrant background⁶⁰.

The Commission will:

- Propose in Q4 2021 a **Transformation Agenda for Higher Education** to unlock the full potential of higher education institutions for a recovery geared towards a sustainable, inclusive, green and digital transition.
- Propose in Q4 2021 an **initiative on Individual Learning Accounts** to overcome barriers to access to training and to empower adults to manage career transitions.
- Propose in Q4 2021 a **European approach to micro-credentials** to facilitate flexible learning pathways and labour market transitions.
- Propose in Q4 2021 a **Skills and Talent package**, including a revision of the Long-term Residents Directive (Directive 2003/109) to create a true EU long-term residence status, a review of the Single Permit Directive (Directive 2011/98) to simplify and clarify its scope (including admission and residence conditions for low and medium skilled workers), as well as setting out the options for developing an EU Talent Pool for third-country skilled workers.

The Commission encourages:

- In the spirit of the **Pact for Skills**, regions and companies, including SMEs, within industrial eco-systems and value-chains, to cooperate, share information and develop joined skills intelligence and tailored up-skilling solutions.

⁵⁹ COM(2020) 609 final of 23 September 2020.

⁶⁰ COM(2020) 758 final of 24 November 2020.

- Member States to work towards implementing the VET policy and EU-level objectives set out in the **Council Recommendation on VET**, and deploy relevant actions and investments.
- Member States to develop comprehensive policies to provide **access to quality education** for all in line with the relevant Council Recommendations⁶¹ and provide targeted support to disadvantaged learners to compensate for the negative impact of the crisis.

Building a Union of equality

Diversity in our society and economy is a strength. Discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation is prohibited in the EU. Equal treatment and access require an effective, properly enforced and up-to-date legal framework. The Commission is preparing the joint report on the application of the Employment Equality Directive⁶² and the Racial Equality Directive⁶³ to determine best practices in the implementation of both Directives and main challenges ahead, and will present any possible legislation required to address shortcomings. The Commission has also put forward ambitious strategies for a Union of Equality, with which synergies will be created to give equal opportunities to all⁶⁴.

Combating stereotypes and discrimination in employment, training, education, social protection, housing and health requires resolute action at national, regional and local level, including by social partners, national equality bodies, companies and civil society. They can be supported by EU funds such as ESF+, ERDF, Creative Europe and Erasmus. With an overall budget of EUR 1.55 billion, the Citizens, Equality, Rights and Values Programme will promote gender equality, equal treatment and equal rights of all in order to promote more democratic, diverse and open societies⁶⁵.

Efforts are particularly urgent to address gender-based stereotypes and discrimination. Despite progress in the last decade, the employment rate and pay levels of women still lag behind those of men. Women continue to be seriously underrepresented in decision-making positions, especially in senior management functions and in corporate boardrooms. Implementing the Gender Equality Strategy 2020-2025⁶⁶, the EU will continue to combat gender-based violence, counter gender stereotypes, to promote women's participation in decision-making and work to close gender gaps in the labour market, pay and pensions. The Commission will continue pushing for the adoption of the 2012 proposal for a Directive on women on boards⁶⁷. **Alongside this Action Plan, the Commission is proposing a Directive to strengthen the application of the principle of equal pay for equal work or work of equal value**

⁶¹ Council Recommendation ST/9010/2018/INIT of 22 May 2018; Council Recommendation ST/9009/2018/INIT of 22 May 2018; Council Recommendation ST/9015/2019/INIT of 22 May 2019.

⁶² Council Directive 2000/78/EC of 27 November 2000.

⁶³ Council Directive 2000/43/EC of 29 June 2000.

⁶⁴ The EU Anti-racism Action Plan 2020-2025 (COM (2020) 565 final) of 18 September 2020. The EU Roma strategic framework for equality, inclusion and participation for 2020-2030 (COM(2020) 620 final) of 7 October 2020. The Action Plan on Integration and Inclusion (COM(2020) 758 final) of 24 November 2020. The LGBTIQ Equality Strategy (COM(2020) 698 final) of 12 November 2020.

⁶⁵ https://ec.europa.eu/commission/presscorner/detail/en/mex_20_2491.

⁶⁶ COM(2020) 152 final of 5 March 2020.

⁶⁷ COM(2012)614 final 14 November 2012.

between men and women through pay transparency measures and enforcement mechanisms⁶⁸. The Commission will also map best practices in providing pension rights for care-related career breaks in pension schemes and promote the exchange of practices among Member States, social partners and pension stakeholders.

Adequate work-life balance policies facilitate conciliation of work and private life. In particular, the provision of paid leave can have a positive effect on the employment rate, in particular for women, and contribute to reducing the gender employment gap. The level and design of parental benefits, and the possibility to share the leave equally between men and women are also important in this context. In line with the Work-Life Balance Directive⁶⁹, the EU will continue to promote equal sharing of care and work responsibilities.

The availability of affordable and high quality early childhood education and care (ECEC) as well as long-term care of good quality have strong positive impact on the employment situation of parents and in particular women and is an important determinant of the gender pay and pension gap. On average, the EU has reached the 2002 Barcelona target of 33% of children below the age of 3 in early childhood education and care (35.5% at EU-27 level in 2019) and the target of 90% of children from 3 to primary school going age (90% at EU-27 level in 2019). Significant gaps remain with many Member States not having reached this level, in particular for children from lower income households or for the youngest group of children. A revision of the Barcelona targets will aim at fostering upward convergence across Member States, and hence improve female labour market participation.

Persons with disabilities face important barriers in education, training, employment, social protection, housing and health. The evaluation of the European Disability Strategy 2010-2020⁷⁰ shows that the EU significantly contributed to improve accessibility for persons with disabilities and to promote their rights. However, in areas such as health, employment, education and skills progress was more limited or uneven. Building on this evaluation, and to further increase equality of opportunity in the EU, **the Commission adopted together with this Action Plan a new Strategy on the rights of persons with disabilities for the period 2021-2030**⁷¹, in line with the objectives of the UN Convention on the rights of persons with disabilities.

The Commission will:

- Publish in Q1 2021 a **joint report on the application of the Employment Equality Directive and the Racial Equality Directive** and present, by 2022 any legislation required to address shortcomings, in particular to strengthen the role of equality bodies.
- Present in 2022 a **revision of the Barcelona targets** on early childhood education and care.

⁶⁸ COM (2021) 93 of 4 March 2021.

⁶⁹ Directive (EU) 2019/1158 of 20 June 2019.

⁷⁰ SWD(2020)289 of 20 November 2020.

⁷¹ COM(2021) 101 of 3 March 2021.

- Propose in Q4 2021 **legislation to combat gender-based violence against women**, including work harassment on grounds of sex.

The Commission encourages:

- Member States to advance and conclude the negotiations in Council on the Commission proposal for a horizontal **Equal Treatment Directive**⁷².
- Member States to adopt and implement the proposal for a **Council Recommendation on Roma equality, inclusion and participation**⁷³.
- Member States to transpose the **Work-life balance Directive** by August 2022.
- Member States to advance and conclude the negotiations in Council on the Commission proposal for a **Directive on women on boards**.
- Member States to provide accessible and affordable education and care to all young children across Europe in line with the **Council Recommendation on High Quality Early Childhood Education and Care Systems**⁷⁴.
- Companies to put in place mechanisms to **combat discriminatory practices** in recruitment, selection and promotion, and promote diversity in the workplace.

3.3 SOCIAL PROTECTION AND INCLUSION

Living in dignity

Fostering social inclusion and combating poverty are core values of our European way of life. While levels of poverty have been decreasing in the past decade, inequalities have not followed the same trend. The relative income situation of the most vulnerable has not improved. The pandemic exacerbates existing inequalities, indicating possible gaps in the adequacy and coverage of social protection. In order to reach **by 2030 the target of reducing the number of people at risk of poverty or social exclusion by at least 15 million**, an integrated approach is essential to address needs at all stages of life and target the root causes of poverty and social exclusion.

Breaking the intergenerational cycles of disadvantage starts with investing in children to reduce the gap between children in need and their better-off peers when it comes to access to key services, to foster equal opportunities for all children in the EU, and prevent children in poor families from becoming adults at risk of poverty. To this effect, targeted national measures and investments are needed to address poverty, inequalities and social exclusion among children. The Commission supports Member States in these efforts through policy guidance, including related country-specific recommendations, to strengthen employment and social policies, invest in social services and social infrastructure, and make the best use of EU funding. Within the European Education

⁷² COM(2008)426 final of 2 July 2008.

⁷³ COM(2020) 621 final of 7 July 2020.

⁷⁴ Council Recommendation 2019/C 189/02 of 22 May 2019.

Area⁷⁵, the new initiative ‘Pathways to School Success’ will also contribute to decouple educational attainment and achievement from social, economic and cultural status.

Minimum income schemes are essential to ensure that no one is left behind. While in place in all Member States, minimum income schemes vary significantly in their adequacy, coverage, take-up and articulation with labour market activation measures and enabling goods and services, including social services. In many cases, the eligibility criteria and the levels of benefits would deserve to be modernised.

Access to affordable housing is an increasing concern in many Member States, regions and cities. Homelessness is increasing in most Member States. While policies to end homelessness can only be successful through a tailored local or regional approach, many stakeholders have called⁷⁶ for a European impetus to end homelessness across the EU by 2030. Moreover, energy poverty affects nearly 34 million Europeans who are unable to afford keeping their homes warm, pointing to the lack of access to affordable quality housing for many families. The implementation of the Green Deal, through the Renovation Wave Initiative⁷⁷, the Commission Recommendation on Energy Poverty⁷⁸, the future revision of the Energy Efficiency Directive⁷⁹ and the steer and guidance for local action by EU Energy Poverty Observatory⁸⁰, will contribute to alleviate energy poverty and increase the quality of housing, in particular for medium and low-income households.

Effective access to essential services of sufficient quality, such as water, sanitation, healthcare, energy, transport, financial services and digital communications, is key to guaranteeing social and economic inclusion. These services can also be an important source of job creation. Yet, income, age, territorial inequalities and shortage of infrastructures can make access difficult. Investment in green, digital and social infrastructures, including via the EU Cohesion Policy, help prevent and combat spatial segregation and enhance access to quality mainstream services. Sectoral EU policies and regulatory frameworks regarding services of general interest, which include consumer protection measures, public procurement practices and obligations for minimum provision of services, need to further support Member States’ interventions and contribute to enhancing access to and accessibility of essential goods and services. The Commission is currently analysing the need to revise the General Block Exemption Regulation⁸¹ and the guide on services of general economic interest.

The Commission will:

- Propose in Q1 2021 a **EU Strategy on the Rights of the Child and Council Recommendation establishing the European Child Guarantee** to ensure that

⁷⁵ COM(2020) 625 final of 6 May 2020.

⁷⁶ EP resolution 2020/2802(RSP) of 24 November 2020 on tackling homelessness rates in the EU.

⁷⁷ COM(2020) 662 final of 17 September 2020.

⁷⁸ Commission Recommendation (EU) 2020/1563 of 14 October 2020.

⁷⁹ Directive 2012/27/EU of 25 October 2012.

⁸⁰ <https://www.energypoverty.eu/>.

⁸¹ Commission Regulation (EU) No 651/2014 of 17 June 2014.

children at risk of poverty and social exclusion have effective access to key services such as healthcare and education.

- Propose a **Council Recommendation on minimum income** in 2022 to effectively support and complement the policies of Member States.
- Launch in Q2 2021 a **European Platform on Combating Homelessness** to support Member States, cities and service providers in sharing best practices and identifying efficient and innovative approaches.
- Launch in Q2 2021 the **Affordable Housing Initiative** piloting 100 renovation districts.
- Present in Q2 2021 **Guidance Notices on Public Procurement of Innovation and on Socially Responsible Public Procurement**.
- Present in 2022 an **EU report on access to essential services**.

The Commission encourages:

- Public authorities to ensure the **effectiveness and coverage of social safety nets** and **access to enabling services** for those in need.
- National, regional and local authorities to increase the uptake of **socially-responsible criteria in public procurement** and to promote their use, in line with the Commission's forthcoming guidance notices.

Promoting health and ensuring care

Health and long-term care systems have been under considerable strain during the pandemic, which added to already existing challenges, such as growing waiting times for healthcare, structural staff shortages and growing health inequalities. Reforms and investments in health systems are required to increase their resilience and capacity to manage current and future crises, to reinforce primary health care and mental health, and to improve access to quality healthcare for all and reduce social, territorial and economic inequalities in health. The Commission supports Member States in these efforts by providing evidence based information and sharing best practices to strengthen health systems.

The European Health Union Communication of the Commission⁸² addresses the resilience, accessibility and effectiveness of the health systems in the EU. The actions will improve Member States' ability to prepare and respond together to future health crises, and ensure that medical supplies are available, affordable and innovative. The Commission will also roll out measures to implement the Pharmaceutical Strategy for Europe⁸³ and Europe's Beating Cancer Plan⁸⁴. New statistical and monitoring tools can also help to better map health inequalities, highlighting the patients' perspective aiming to improve access to health for the most vulnerable.

⁸² COM(2020) 724 final of 11 November 2020.

⁸³ COM(2020) 761 final of 25 November 2020.

⁸⁴ COM(2021) 44 final of 3 February 2021.

The resilience of long-term care is also being put to the test. Demand for care services is expected to increase in an ageing society, while the lack of quality standards in care and gaps in access to quality services, including in rural areas, are a serious concern in many Member States. A joint report by the Commission and the Social Protection Committee to be published in spring 2021 will map out how national systems respond to these challenges and point to areas in which further work is needed to ensure equal access to quality and affordable long-term care across the Union. The Green Paper on Ageing⁸⁵ launched a consultation to identify areas where EU action can bring the highest value added. Reforms and investments in long-term care provide an opportunity for enhancing intergenerational solidarity, job creation, safer work and living environments, and better offer of quality services.

The Commission will:

- Propose an **initiative on Long-Term Care** in 2022 to set a framework for policy reforms to guide the development of sustainable long-term care that ensures better access to quality services for those in need.
- Propose new tools to better **measure barriers and gaps in access to healthcare** (2021- 2022).
- Propose in Q4 2021 the **European Health Data Space** to promote access to health data for better healthcare, research and policy-making, and to foster the development, deployment and application of digital services for the provision of healthcare.

The Commission encourages:

- Member States to invest in **health and care workforce**, improving their working conditions and access to training
- Member States to boost the **digitalisation of their health systems** and tackling **health inequalities**.

Making social protection fit for the new world

During the pandemic, **many Member States have extended social protection** to previously uncovered groups. These exceptional measures can be a source of inspiration for structural reforms that improve the protection of the unemployed, non-standard workers and the self-employed and that ensure their sustainable financing, in line with the 2019 Council Recommendation on access to social protection⁸⁶.

Further reflection on the financing of social protection, and notably the financing models to enable continued solidarity between and within generations, is required to ensure equal and sustainable access to social protection in terms of groups and risks covered, while taking into account that social contributions and labour taxes may decrease given the shrinking of the working-age population.

⁸⁵COM(2021) 50 final of 27 January 2021.

⁸⁶ Council Recommendation (2019/C 387/01) of 8 November 2019.

Social protection across national borders is a pre-condition of a well-functioning internal market. Existing and new forms of labour mobility facilitated by digitalisation, from generalised teleworking across borders to digital nomads working remotely across the EU, require seamless interactions between mobile workers and administrations, while reducing the risk of errors and fraud. Innovative solutions, notably digital ones, can facilitate the physical and virtual mobility of citizens, support the portability of social security rights and the cross-border verification of social security coverage by administrations, and address challenges in the identification of people for social security coordination purposes.

The Commission will:

- Launch a **High-Level Expert Group** to study the future of the welfare state, its financing and interconnections with the changing world of work and to present a report by end 2022.
- Start a pilot in 2021 to explore by 2023 launching a digital solution to facilitate the interaction between mobile citizens and national authorities, and improve the portability of social security rights across borders (**European Social Security Pass**), building on the initiative for a trusted and secure European e-ID (Q2 2021).

The Commission encourages:

- Member States to further extend access to social protection, in line with the **Council Recommendation on Access to social protection**, and to submit their plans by 15 May 2021 setting out their national measures.

4. JOINING FORCES TO DELIVER

Delivering on the European Pillar of Social Rights is a shared political commitment and responsibility of the EU institutions, national, regional and local authorities, social partners and civil society, all of which have a role to play in line with their competences. The EU will support this effort with all available instruments: financial support via several EU funds to invest in fair recovery and the twin green and digital transitions; fostering the engagement of all actors; providing guidance and coordination of national economic and social policies via the European Semester; enforcing EU law; and leveraging its role as a global leader. **The Commission encourages all the relevant actors to make best use of the instruments available to accelerate the implementation of the Social Pillar.**

Unlocking social investment through EU funds

Member States should make full use of the unprecedented EU funds available to support reforms and investments in line with the European Pillar of Social Rights. The EU's long-term budget for 2021-2027, coupled with the NextGenerationEU recovery instrument, is the largest stimulus package ever financed through the EU budget. A total

of EUR 1.8 trillion will help Europe recover from the COVID-19 crisis and become greener, more digital and socially just.

A new key financial instrument, under NextGenerationEU, is the RRF, with its EUR 672.5 billion budget. National recovery and resilience plans represent a unique opportunity to plan and finance investments and reforms that support a recovery that is social and focuses on jobs, while embracing the green and digital transitions and implementing the relevant country-specific recommendations under the European Semester⁸⁷. In line with the six pillars of the RRF, Member States will need to explain in detail how their national plans strengthen growth potential, job creation and economic, social and institutional resilience, including through the promotion of policies for children and youth; contribute to gender equality and equal opportunities for all; and mitigate the economic and social impact of the crisis, contributing to the implementation of the European Pillar of Social Rights, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.

The ESF+, with EUR 88 billion, will continue to be the EU's main instrument to support the implementation of the Social Pillar and achieve the three EU headline targets proposed. The implementation of the Social Pillar principles and the challenges identified in the country-specific recommendations adopted in the context of the European Semester will be the basis for Member States to prepare their ESF+ operational programmes. With this new instrument:

- at least 25% of the ESF+ resources at national level should be spent to combat poverty and social exclusion, out of which Member States most affected by child poverty should invest at least 5% in measures combating child poverty. All others should equally allocate appropriate amounts to implement the forthcoming Child Guarantee. In addition, all Member States will need to dedicate at least 3% of their ESF+ share to fight material deprivation.
- to tackle youth unemployment, Member States will need to devote at least 12.5% for young persons not in employment, education, or training (NEETs) where the relative percentage falling in this group is above the EU average, whereas all other Member States will need to dedicate an appropriate amount to implement the reinforced Youth Guarantee.
- Member States must dedicate an appropriate amount to the capacity building of social partners and civil society organisations; 0.25% of ESF+ resources should be programmed when Member States have a country-specific recommendation in this area.

Other funds will also be available to implement the Pillar. The **ERDF** will finance infrastructure and equipment for employment, education and training and social services. The **Just Transition Fund** will support skilling in regions facing higher socioeconomic challenges from climate transition. The **Brexit Adjustment Reserve** will help counter the adverse economic and social consequences of the United Kingdom's departure from

⁸⁷ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en#documents

the EU. **REACT-EU** provides EUR 47.5 billion of additional funding in 2021 and 2022 for bridging the gap between the first emergency crisis response to the pandemic and the long-term recovery of the economy. The **European Globalisation Adjustment Fund** will continue to support workers facing job losses due to restructuring.

Erasmus+ will mobilise the education, training, youth and sport sectors for swift recovery and future growth, and will promote both green and digital skills. The **Technical Support Instrument** will improve the administrative capacity of governments and public administrations to deliver reforms under each of the three 2030 headline targets for employment, skills and social inclusion. **InvestEU** will encourage private investments that contribute to social goals, through a dedicated investment window. Its sustainability proofing will ensure the social impact of proposed investments, and it will support investments in social economy and innovation, social infrastructure and skills. The visibility of social economy projects can be further increased through additional measures, such as a specific tagging system. **Horizon Europe** is the biggest and most ambitious research and innovation programme in history, with an agreed total budget of EUR 94 billion. The programme aims at developing new technologies, innovative economic and social transformations and accompanying or enabling policies and investments, including to reinforce social and economic resilience and sustainability. The new **EU4Health programme** for 2021-2027, with a budget of EUR 5.1 billion, will support building resilient health systems in the EU to equip us better for the future. The **Asylum, Migration and Integration Fund** will support the integration and inclusion of migrants.

In planning the allocation of financial resources, Member States should make greater use of distributional impact assessments in order to better take account of the impact of reforms and investments on the income of different groups and to increase transparency on the social impact of budgets and policies. This can be mainstreamed by national authorities and complement the Commission's actions to encourage improvements in the quality of public finances, transparent and fairer taxation and socially sustainable investment and finance.

Alongside public resources, the development of sustainable finance also has a key role to play in mobilising the necessary private resources to deliver on sustainable objectives. The EU has been mobilising private investment in the transition to a climate-neutral, resource-efficient and circular EU. A good example is the successful issuance of the first-ever EU Social Bonds to fund the SURE loans. Private and socially sustainable investment will also have to play a key role in a fair and just recovery. Possible extensions of the EU Taxonomy would provide businesses and investors with a trustworthy and common language to identify socially sustainable activities and increase transparency on the social finance markets. The scope and potential of such extensions will be studied and evaluated. Better public reporting by companies about social issues should facilitate investment flows towards economic activities with positive social outcomes. Better corporate reporting also serves to make companies more accountable for social and other sustainability impacts.

The Commission will:

- By the end of 2021, adopt a **delegated act to define a methodology for reporting on social expenditure under the Recovery and Resilience Facility**.
- Present in 2022 **guidance to enhance Member States' use of ex-ante distributional impact assessments** in budgeting and planning of reforms.
- Explore possible measures as part of **the renewed sustainable finance strategy** (mid-2021) to spur private social investment. By end 2021, publish a report on a possible **extension of the EU Taxonomy Regulation⁸⁸ to cover other sustainability objectives, including social ones**.
- Propose a **revision of the Non-Financial Reporting Directive⁸⁹** in Q2 2021 including stronger requirements for company reporting on social issues.

The Commission encourages:

- Member States to use the EU funding opportunities, notably through their **national recovery and resilience plans** and their **ESF+ and ERDF operational programmes** to support the national implementation of the Social Pillar.
- Member States to seize the unprecedented opportunity offered by the **RRF** to implement the relevant country-specific recommendations.
- National and regional authorities to carry out **ex-ante distributional impact assessments** as part of their budgetary and wider policy processes.
- Member States to promote the conditions for the **development of transparent social investment markets**.

Rallying forces from all actors

The engagement of national, regional and local authorities, social partners and civil society is essential to ensure commitment to the Pillar. In this regard, **a coherent and comprehensive coordination at national level is crucial and can make a difference in rallying the efforts of all relevant national actors**. The Commission will continue to organise events at EU-level to take stock of the progress made and set the ambition for the EU-level actions. All relevant actors should organise communication and engagement activities to raise awareness of the Pillar and promote social rights in Europe, and to engage with citizens and all those working directly on the implementation of the Pillar principles.

Importantly, social dialogue at national and EU level needs also to be reinforced.

Social partners play an important role in mitigating the impact of the pandemic, sustaining the recovery and managing future change in the labour market. Strengthened efforts are necessary to support collective bargaining coverage and prevent social partners' membership and organisational density from decreasing. During the consultation in the run-up to this Action Plan, social partners from all parts of Europe

⁸⁸ Regulation (EU) 2020/852 of 18 June 2020.

⁸⁹ Directive 2014/95/EU of 22 October 2014.

emphasised the need to support social dialogue at national level, including by strengthening their involvement in relevant policies and their capacities, as well as improving their outreach to new sectors, young people, and people working through platforms.

The Commission will:

- Foster communication activities and the **engagement process with all relevant actors to ensure** awareness and shared commitment to the Pillar.
- Following consultation with social partners in 2021⁹⁰, present **an initiative to support social dialogue at EU and national level** in 2022. The initiative will include the launch of a new award for innovative social dialogue practices; an information and visiting programme for young future social partner leaders; the review of sectoral social dialogue at EU level; and a new supporting frame for social partner agreements at EU level.

The Commission encourages:

- National authorities, social partners, civil society and other relevant actors to organise **communication and engagement activities** by collecting and exchanging the best practices across Europe.
- Member States to organise a **coordination mechanism to ensure engagement of all relevant stakeholders at national level** in implementing the Pillar.
- Member States to encourage and create the conditions for improving the **functioning and effectiveness of collective bargaining and social dialogue**.
- Public authorities to further **reinforce social dialogue** and consult social partners when designing relevant policies and legislation.
- **European social partners to contribute to the successful transformation of Europe's labour markets by negotiating further EU level agreements.**

Strengthening coordination and monitoring

Member States should make the best use of the European Semester as the relevant well-established framework to coordinate economic, employment and social reforms and investments, putting people and their well-being at the centre. Since 2018, the principles of the Pillar have been mainstreamed across the entire European Semester cycle. Member States should report on the implementation of the Pillar in their National Reform Programmes. The country-specific recommendations – based on the four dimensions of environmental sustainability, productivity, fairness and macroeconomic stability identified in the Annual Sustainable Growth Strategy – will continue to provide guidance on the implementation of the Pillar principles at national level, including through the relevant EU funding. As mentioned above, the EU headline targets will help to steer national and regional policies and reforms in the employment, skills and social

⁹⁰ See also the report of Andrea Nahles, Special Advisor to Commissioner of Jobs and Social Rights: <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9916&furtherNews=yes&preview=cHJldkVtcGxOb3J0YWwhMjAxMjAyMTVwcmV2aWV3>.

domains. In the coming years, the European Semester will also allow for a coordinated monitoring of the implementation of the Recovery and Resilience Plans.

As a key monitoring tool used in the European Semester, the Commission is proposing to revise the Social Scoreboard to cover the Pillar more extensively. Alongside the headline targets, integrating and updating the existing set of indicators will contribute to tracking progress towards the Pillar principles in a more comprehensive manner and to monitor the implementation of policy actions proposed by this Action Plan. The proposal for an update of the Social Scoreboard, linked also to the UN Sustainable Development Goals, is presented in Annex 2 to this Action Plan (its analytical underpinning is described in the accompanying Staff Working Document). In the enlargement countries, the updated Social Scoreboard will be used in the Economic Reform Programme (ERP) process to monitor progress on the implementation of the Pillar, subject to data availability.

The Joint Employment Report will focus on relevant Pillar principles, with a deeper analysis of their implementation at EU and national levels, relying on the revised Social Scoreboard. Member States will be invited to report regularly in their National Reform Programmes on implementation and on policy initiatives envisaged to close the gaps.

Finally, the **timeliness of social statistics** will also be improved further, following the recently adopted Regulation on the Integrated European Social Statistics⁹¹ together with early estimates of poverty and inequality. The Commission will continue to encourage Member States to improve the collection of data disaggregated by racial or ethnic origin in line with the EU anti-racism Action Plan. In cooperation with the other EU institutions, the Commission will also continue to **improve and develop reliable and internationally comparable indicators for measuring and monitoring people's well-being** in the Union, taking account of the country-specific context and the work carried out by other relevant international actors.

The Commission will:

- Continue to steer through the **European Semester** the national reforms and investments, including in the implementation of the recovery and resilience plans, in a way to further the implementation of the principles of the Social Pillar.
- Agree on a **revised version of the Social Scoreboard** with Member States in 2021 to better reflect the policy priorities and actions set out in this Action Plan.
- **Expand the scope and deepen the analysis of the Joint Employment Report** and organise dedicated events to present progress on the Pillar implementation.

Implementation, application and enforcement of the EU social acquis

The EU's social rulebook is only as good as its implementation. Many of the respondents to the consultation held in support of this Action Plan emphasised the importance of better implementation, application and enforcement of existing EU labour

⁹¹ Regulation (EU) 2019/1700 of 10 October 2019.

and social law. A closer and more regular dialogue with Member States can facilitate the timely transposition of EU legal instruments, improve the quality of their implementation and avoid the need to resort to infringement proceedings later on. In parallel, the Commission will aim to step up its action if Member States do not fulfil their obligations under EU law.

The Commission will:

- Enhance the **cooperation with the Member States on EU labour and social law**, focusing on transposition and implementation, and sharing best practices.

The Commission encourages:

- Member States to support and reinforce the **capacity building of labour inspectorates** in their activities to monitor the implementation of the Union *acquis*.

The EU as a responsible global leader

By guiding EU's international action in the social area, the Pillar helps affirm the EU's role as a responsible global leader. The Commission works towards the creation of a level playing field worldwide, where competitive advantages are not to the detriment of the most vulnerable. On the one hand, the EU acts within a multilateral system based on international norms, to which the EU and/or its Member States subscribe. On the other hand, the Pillar is a guiding tool for our bilateral relations with external partners, including the neighbourhood and enlargement partners, defining the high level of social standards for which the EU stands.

To strengthen the dialogue with Western Balkans, to foster the implementation of the European Pillar of Social Rights⁹² and to tackle the social gap between Member States and Western Balkans, candidate countries and potential candidates will be included, as appropriate, in relevant actions, platforms, working groups and meetings. The Instrument of Pre-accession Assistance (IPA) III will provide increased funding for human capital development and a flagship initiative to implement youth guarantee schemes to address the high NEETs rates in the region⁹³.

The EU will continue to promote decent work and social inclusion worldwide, by cooperating with partner countries, in particular within the International Labour Organization (ILO) and through its trade and development policies, sustainable procurement and finance, and corporate transparency and sustainable corporate governance. In line with the call in the Council Conclusions on Human Rights and Decent Work in Global Supply Chains⁹⁴, the Commission will address the social dimension of international action in response to the pandemic, climate change, new technologies and the UN 2030 Agenda⁹⁵. As a member of the G7 and G20 forums, the

⁹² COM(2020)14 final of 14 January 2020.

⁹³ COM(2020)641 final of 6 October 2020.

⁹⁴ 13512/20 of 1 December 2020.

⁹⁵ COM(2006) 249 final of 25 May 2006.

EU is promoting a sustainable and inclusive economic recovery that would benefit all people in all countries.

The Commission will:

- Adopt a **Communication on Decent Work Worldwide** in Q2 2021 providing a comprehensive overview of the relevant EU toolbox and providing a blueprint for an EU strategy on taking forward the social dimension in international action.
- Adopt in Q2 2021 an initiative on **sustainable corporate governance**.

The Commission encourages:

- Member States to promote **international labour standards, decent work and social inclusion worldwide** and to work towards achieving the UN 2030 Agenda and Sustainable Development Goals, with close involvement of the social partners and civil society.
- Enlargement countries to continue to align with EU social standards and policies, notably through the **Economic and Reform Programme process**, on their path of convergence towards the EU.

5. WAY FORWARD

This Action Plan puts forward EU level actions for the further implementation of the European Pillar of Social Rights, in order to build a stronger Social Europe for just transitions and recovery. Achieving a full enjoyment of the rights and principles of the Pillar by EU citizens requires, for the most part, national, regional and local level action. The Commission calls on the Member States, social partners and other relevant actors like regional and local authorities as well as civil society organisations to put the high social standards reflected in the Pillar at the centre of their investments and reforms powering the recovery from the COVID-19 pandemic. Our shared goal is to invest in present and future generations of Europeans, enabling them and Europe as a whole to thrive through social innovation and diversity, despite change and adversity.

The Social Summit in Porto on 7-8 May 2021 organised by the Portuguese Council Presidency will provide the opportunity to confirm at the highest political level the commitment and ambition to put people first in Europe's recovery and beyond.

To support the implementation of this Action Plan, the Commission calls on the European institutions, national parliaments, social partners and civil society to organise regular joint political debates to take stock of progress towards a strong Social Europe by 2030.

The Commission will **review the Action Plan in 2025**. The review will provide a basis for further actions at EU level with a view to achieving the 2030 EU targets.