A strong social Europe for Just Transition - Communication from the Commission

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The Committee on Employment and Social Affairs adopted the own-initiative report presented by Dennis RADTKE (EPP, DE) and Agnes JONGERIUS (S&D, NL) on a strong social Europe for just transitions.

As the EU embarks on a transition to a circular low-carbon, climate-neutral and resource-efficient economy, Members considered that green, digital and demographic transitions must ensure the highest level of social justice and promote well-being, social progress, security, prosperity, equality and social inclusion, leaving no one behind.

Governance framework for social progress

Members called for a key social programme to be adopted at next year's Porto Social Summit (Porto Agenda). This programme could contain the strategic framework for a sustainable, fair and inclusive social Europe by 2030.

This governance framework should be based on: (i) the integration into the Treaties of the European Pillar of Social Rights and a protocol providing social rights at the same levels of economic freedoms within the single market, and (ii) the adoption of a Sustainable Development and Social Progress Pact making social and sustainable targets mandatory.

Financial means for a strong and sustainable social Europe

Members called on Member States to make full use of the flexibility in the application of EU rules on public finances and fiscal policies, in order to cope with the exceptional spending incurred in mitigating the social consequences of the COVID-19 crisis, strengthening social protection systems and financing quality jobs, public services, the fight against poverty and green and digital transitions.

The report highlights financial instruments for achieving a just transition, such as the European Social Fund, the European Globalisation Adjustment Fund (EGF), the Youth Guarantee, the Child Guarantee, the Temporary Support Instrument for Unemployment Risk Reduction in Emergencies (SURE) and the Just Transition Fund, which should be increased.

Members stressed that Member States should allocate: (i) at least 5% of the resources of the European Social Fund (ESF+) under shared management to support activities financed under the European Child Poverty Guarantee, in particular to combat child poverty, and (ii) at least 15% of their resources and targeted actions in favour of quality jobs for young people.

The Porto Agenda

Members considered that the agenda should encompass economic, social and environmental well-being indicators and cover the following areas:

(1) Decent work and sustainable and inclusive labour markets

Members considered that every worker in the EU should be paid a wage that guarantees at least a decent standard of living, and that strengthening collective bargaining is the best way to promote this objective.

They insisted that legal minimum wages should be set, in cooperation with the social partners, at a level above the decency threshold, to eliminate in-work poverty.

The Commission and the Member States are invited, *inter alia*, to:

- reach 90% collective bargaining coverage by 2030 in national systems that combine statutory and social partners' regulation of employment and working conditions;

- revise the EU directive on public procurement to establish preferential treatment for companies that respect collective agreements;

- strengthen the youth guarantee with the aim of reducing long-term and youth unemployment by at least 50% by 2030;

- include the overall objective of improving the quality of work at European level in the European Semester process;

- commit to eliminating work-related deaths and reducing occupational diseases by 2030;

- propose a directive on decent working conditions and rights in the digital economy, and on minimum standards and conditions for fair telework;

- introduce a new framework directive on workers' information, consultation and participation for European company forms.

(2) Social justice and equal opportunities

The report stressed that eradicating child poverty and ensuring children's well-being and equal opportunities must be among Europe's highest priorities.

Members called on Member States and the Commission to commit to eliminating the gender pay gap, which currently stands at 16%, and the resulting pension gap, with a target of 0% by 2030, by upholding the principle of equal pay for equal work for women and men. The Commission is invited to present a post-2020 European Disability Strategy.

Members also stressed the importance of access to training and retraining for workers in companies and sectors that need to undergo profound changes in preparation for the green and digital transition.

(3) Strong social protection systems

The report called on the Commission and Member States to maximise their efforts to invest in affordable housing to meet the housing needs of low- and middle-income groups, ensuring that at least 30% of all newly built houses are affordable housing for these two income groups, and to eliminate energy poverty by 2030 by supporting investment in energy efficiency by low-income households.

Members argued that access to public pensions and old-age schemes, based on solidarity, that ensure an adequate income should be available to all. Concerned about how the COVID-19 pandemic has increased the vulnerability, isolation and risk of poverty and social exclusion of the older population, they called on the Commission to present a plan to ensure the mental health, dignity and well-being of people, including older people.

(4) Fair mobility

The report called on the Commission to revise the temporary work agency Directive in order to establish a legal framework guaranteeing decent working conditions and equal treatment for intra-EU seasonal workers and mobile workers and on fixed-term contracts with temporary work agencies or any other type of labour market intermediary, including recruitment agencies.

It called on Member States to strengthen the application of the Directive and to combat unscrupulous practices by temporary employment agencies and to take legislative measures to reduce the abuse of subcontracting and to ensure general joint and several liability throughout the subcontracting chain.