Reducing inequalities with a special focus on in-work poverty

2019/2188(INI) - 10/02/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 365 votes to 118, with 208 abstentions, a resolution on reducing inequalities with a special focus on in-work poverty.

Members share the Commission's view that income inequality in the EU, as a world region, is lower than in some other major advanced economies, but remains a cause for concern. Women face a higher risk of poverty and social exclusion than men (22.8% in 2018 in the EU). In addition, one in two people with a non-EU migrant background is at risk of poverty and social exclusion.

Member States are invited to collect data on poverty in a way that reflects the reality of households and individuals, as well as relevant equality data, and to conduct gender analysis on statistics and policies to combat poverty.

Measures to combat inequality

Parliament called on the Commission and the Member States to achieve the goal of comparable living conditions through upward convergence, to tackle growing inequalities within and between Member States and to increase solidarity.

Members also recommended:

- consolidating collective bargaining systems and guaranteeing minimum standards of social protection and a social security system for all age groups; the use of the European Social Fund plus (ESF+) should be encouraged in order to strengthen the capacity of the social partners;

- promoting access to affordable and quality services;

- supporting SMEs, which are the backbone of the European economy;

- strengthening education and training systems and improving their quality and relevance to the labour market, in particular with a view to facilitating access to lifelong learning;

- promoting investment in digital technologies in rural areas and targeted investment in digital reskilling and upskilling to enable workers to adapt to change and to ensure higher wages;

- ensuring an adequate level of education and training for young people and make use of financial instruments such as the Youth Guarantee and EU programmes to combat unemployment, enhance their employability, and encourage them to take up stable and non-precarious jobs.

Parliament called for an overarching European anti-poverty strategy, including ambitious targets to reduce poverty and end extreme poverty in Europe by 2030, in line with the principles laid down in the European Pillar of Social Rights. The Commission is invited to propose an EU strategic framework for national homelessness strategies.

Minimum protection of living and working conditions

Parliament invited the Commission to present an EU framework on minimum income. It stressed that the future directive aimed at ensuring that EU workers are paid a minimum wage that allows them to live in decent conditions should:

- provide clear safeguards in Member States where wages are generally negotiated collectively by the social partners;

- guarantee collective agreements and statutory minimum wages so that no worker or member of his or her family is at risk of poverty;

- ensure that the legal minimum wage, if it exists, is always set above the poverty threshold.

Parliament recommended, inter alia:

- putting in place a legislative framework to regulate teleworking arrangements across the EU to ensure decent working and employment conditions in the digital economy;

- implementing the legislative framework on minimum working conditions for all workers, especially those in precarious employment, including atypical workers in the gig economy;

- ensuring that labour relations between platforms and workers are adapted to the new realities of a digital society and economy and that they are clarified;

- taking action against bogus self-employment and exploitation of young workers, and strengthen the European quality framework for traineeships, to include the principle of remuneration for traineeships and training as a quality criterion, as well ensuring adequate access to social protection schemes;

- taking binding measures on pay transparency, in line with the commitment made under the EU gender equality strategy for 2020-2025.

Member States, for their part, should:

- phase out the use of ‘zero hour’ contracts and the practice of wages below the legal minimum for young workers;

- ensure that people with disabilities can exercise their employment and trade union rights on an equal basis with others;

- ensure that public employment services continue to offer as many quality jobs as possible;

- ensure the proper application of EU law on labour mobility and social security coordination and, in particular, that workers are informed of their rights, obligations and procedural guarantees in a language they understand before signing their contracts.

Social impact of the COVID-19 pandemic

As the health crisis has had a significant impact on workers and disadvantaged people, Member States are called on to ensure adequate protection for all vulnerable workers during the pandemic. Members recalled, in this regard, that a sufficient proportion of additional resources under REACT-EU should be used to increase the availability of the Fund for European Aid to the Most Deprived (FEAD) to help the most deprived; equally underlines the importance of ensuring that the ESF+ is allocated sufficient resources in the multiannual financial framework.