European Semester for economic policy coordination: employment and social aspects in the annual sustainable growth survey 2022

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The Committee on Employment and Social Affairs adopted the own-initiative report by Helmut GEUKING (EPP, DE) on the European Semester for economic policy coordination: employment and social aspects in the annual sustainable growth survey 2022.

The report reiterated the need to put sustainability, social inclusion and people's well-being at the heart of the EU's economic strategy. The EU needs a reform of economic governance that focuses on sustainable development and well-being according to Members.

The economy has experienced a sharp downturn in 2020 as a result of the COVID-19 pandemic. However, European regions and economies have not been affected in the same way and to the same degree.

This report is therefore different from previous reports in terms of its significance, objectives and clarity.

Chapter I - Sustainable economic growth

Members highlighted the need for social and environmental public investment in national recovery and resilience plans. The Commission should draw lessons from the Covid crisis and work towards the implementation of a transformed sustainable governance in the EU based on solidarity, social justice and integration, fair distribution of wealth, gender equality, high-quality public services, including a public, universal and high-quality education system, quality employment and sustainable growth. It should also consider an overall assessment that properly reflects underlying inequalities, as well as the employment, social and health situations in Member States.

The report stressed that a significant part of the revenues generated by economic growth and resulting tax revenues should be used to **finance public services**, including public health and education systems.

Members also stressed the need to **reduce bureaucratic burdens** and red tape in order to support and stimulate economic growth and competitiveness. A legal framework should be put forward for effective internships, traineeships and apprenticeships.

Chapter II - Environment and health

Members welcomed the Commission's strategic framework on health and safety at work 2021-2027, in particular, the introduction of the **Vision Zero approach** to work-related accidents and diseases. They regretted however that the level of ambition of the strategy does not correspond to the objective of Vision Zero and called on the Commission to put forward proposals matching this ambition.

The report called on the Commission to take appropriate and proportionate legislative and non-legislative measures to address **emerging risks** related to technological developments such as artificial intelligence and digitalisation. It also called on the Commission to propose a new directive on mental health to prevent the proliferation of psychosocial risks at work. Members believe that a binding regulation is essential to **prevent mental disorders** such as anxiety, depression, burnout and post-traumatic stress, and essential for their recognition as occupational diseases.

Chapter III - Employment, poverty and youth

Members consider that increasing purchasing power and wages is an important element of economic recovery, and that low-income households must be protected from the negative effects of rising prices for services, goods and basic foodstuffs.

Concerned about the **youth unemployment** rate in the EU, which exceeds 15%, Members believe that the COVID-19 pandemic makes it more important than ever to implement the child guarantee, the reinforced youth guarantee and the EU disability rights strategy. With 22.4% of the EU population at risk of poverty or social exclusion, an anti-poverty strategy should be presented to eliminate poverty in Europe by 2050.

Member States are called upon to ensure that there is sufficient adequate and affordable **social housing** to cover the housing needs of the population and to reduce the rate of housing cost overload. They are also called upon to implement a comprehensive set of policies to address **labour shortages**, with particular attention to the issue of living wages.

Chapter IV - Production and skills shortages, improving education, research and innovation

Expressing concern about global shortages of many goods, due in part to the disruption caused by the pandemic, Members called on the Commission to identify shortages in strategic production locations and to present strategies to strengthen EU self-sufficiency in critical industries and diversify sources to **reduce the EU's dependency** on non-democratic third countries. They called for the social and economically sustainable dimension of the industrial strategy to be strengthened.

The Commission is invited to: (i) establish a new framework directive on information, consultation and participation of workers for minimum European standards, including for anticipation of change; (ii) strengthen European industrial and production capacity to reduce dependencies.

Member States and the Commission are invited to increase the resilience, competitiveness and preparedness of the economy for future crises and to address skills gaps and shortages in the EU in order to eliminate bottlenecks in the labour market.

On education, the report highlights the importance of improving career guidance, **digital skills acquisition and education**, and promoting vocational training and lifelong learning.

Chapter V - Sustainable economic growth through improved production, services and trade principles

Members believe that the transition to a carbon-neutral economy must be fair, characterised by social justice and leave neither workers nor local communities behind. They recalled the crucial role played by the European, national and sectoral social partners in anticipating change.

The report stressed, in the context of telework, the right to disconnect from work, psychological well-being at work and health and safety at work. It called for valuable jobs for workers and therefore a stronger role for the social partners and collective bargaining.

Lastly, Members called on Member States to improve implementation of the rules and to combat the practices of rogue temporary employment agencies. They called on the Commission to make certification mandatory for public contracts at EU level and to set up a social register for this purpose.