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From:	The Employment Committee and The Social Protection Committee
To:	Permanent Representatives Committee/Council
Subject:	Future policy priorities for the Union on the European Pillar of Social Rights - Opinion of the Employment Committee and the Social Protection Committee - Endorsement

Delegations will find attached the above-mentioned Opinion with a view to its endorsement at the Council (EPSCO) session on 11 March 2024.

Opinion of the **Employment Committee** and the **Social Protection Committee** on the future policy priorities for the Union on the European Pillar of Social Rights

Introduction

1. **On 14 December 2023 the Spanish and the Belgian Ministers – holding the Presidency of the Council of the EU between mid-2023 and mid-2024 – invited the **Employment Committee (EMCO)** and the **Social Protection Committee (SPC)** to prepare a joint **Opinion on the future policy priorities for the Union in the domains covered by the European Pillar of Social Rights**.** A reflection on the future of the Union’s employment and social policy will take place at the High-Level Conference on the European Pillar of Social Rights to be held in La Hulpe on 15-16 April 2024 and a review of the Pillar Action Plan is planned for 2025. In this context, the present Opinion is prepared for the Council in accordance with the competences of the Committees, as provided by Art. 150 and Art. 160 TFEU.¹
2. **After its proclamation by the European Parliament, the Council, and the Commission in 2017, the European Pillar of Social Rights has been serving as a compass to provide guidance in addressing common employment, skills, and social challenges, and foster convergence in working and living conditions in the Union.** As reaffirmed by the EU Leaders via the *Porto Declaration* in 2021, the implementation of the Pillar at Union and Member State level is a shared political commitment and responsibility, with due regard for their respective competences and the principles of subsidiarity and proportionality.² The 20 principles of the Pillar are meant to be implemented taking due account of different socioeconomic contexts, the diversity of national systems, and the role and autonomy of the social partners.

¹ Without prejudice to Art. 240 TFEU.

² The [Porto Declaration](#) was proclaimed following the *Porto Social Summit* and the related meeting of EU Leaders, held on 7-8 May 2021.

3. **The Action Plan presented by the Commission in 2021 set out a number of EU actions that the Commission committed to take to support Member States in the implementation of the Pillar and established 2030 EU headline targets that were welcomed by the European Council:** (i.) at least 78% of the population aged 20-64 in employment; (ii.) at least 60% of all adults participating in training every year; (iii.) and a reduction by at least 15 million in the number of people at risk of poverty or social exclusion, of which at least 5 million should be children.³ Moreover, the Commission also proposed to revise the Social Scoreboard – which since 2014 has been the main quantitative tool to monitor employment, skills and social developments – to better reflect the principles of the Pillar, with the Council endorsing its new structure in June 2021.⁴ To contribute to the EU targets, throughout 2022 all Member States also set corresponding 2030 national targets with the support of the Commission.⁵

³ The [European Pillar of Social Rights Action Plan](#) was published by the Commission on 4 March 2021. The EU headline targets contained therein were welcomed by the European Council in its [conclusions of 24-25 June 2021](#). The Action Plan also provided complementary EU-level targets on reducing the gender employment gap, increasing the provision of formal early childhood education and care, decreasing young NEETs, raising the share of adults with at least basic digital skills, and cutting early leaving from education and training.

⁴ See the [EMCO-SPC Opinion on the Commission's proposal for a revised Social Scoreboard](#), endorsed by the Council on 14 June 2021.

⁵ See the [EMCO-SPC Opinion on the 2030 national target setting process](#), presented to the Council on 16 June 2022.

General remarks

4. **Since 2017, the Pillar has been the EU policy framework to provide common orientations to Member States on how to shape policy actions and legislation at national level, translating social rights into reality and ensuring a level playing field across the Union.**

Reflecting its comprehensive nature, numerous EU initiatives have been agreed upon since the proclamation of the Pillar, with Council Recommendations and other soft instruments which are appropriate and effective tools in providing guidance to Member States in respective policy areas, and EU Directives and Regulations having a more direct impact on national legislation. The monitoring of the Pillar has been integrated in the European Semester, notably by aligning the Employment Guidelines to its principles in 2018. Since then, this has allowed to monitor the implementation of the Pillar via the Joint Employment Report and the aforementioned Social Scoreboard, as well as to contribute to the formulation of Country-Specific Recommendations (CSRs) on employment, skills and social challenges, pursuant to Art. 148 TFEU.

5. **In more recent years, the implementation of the Pillar has been challenged by an unprecedented series of crises, such as the COVID-19 pandemic, the repercussions of Russia's war of aggression against Ukraine, and the occurrence of high inflation.** Despite these, in spring 2023 the EU employment rate reached an all-time high of 75.4% (70.2% for women and 80.5% for men), unemployment fell to 6% (6.3% for women and 5.7% for men), and the share of people at risk of poverty or social exclusion has remained broadly stable between 2019-2022 (21.6% in 2022). In this context, emergency instruments agreed at Union level such as the *Recovery and Resilience Facility* (RRF)⁶ and the *European instrument for temporary Support to mitigate Unemployment Risks in an Emergency* (SURE)⁷ supported Member States in implementing the Pillar principles via concrete labour market and social policy measures to rapidly recover from the 2020 economic downturn caused by the COVID-19 pandemic, with the involvement of the social partners and in cooperation with civil society.

⁶ The RRF is providing support to all Member States and will remain active until December 2026. According to the [RRF Scoreboard](#), on average, Member States have dedicated around 28% of their RRF funds to supporting social objectives.

⁷ Overall, SURE provided support to 19 Member States until December 2022, notably by encouraging the set-up of wide-ranging and ambitious short-time work schemes or similar measures at national level. According to the [final SURE implementation report](#) published in June 2023, in line with the evolution of the COVID-19 pandemic, SURE covered around 31.5 million people in 2020, 9 million people in 2021, and 350.000 people in 2022.

6. **Looking forward, progressing on the implementation of the Pillar should remain a key priority for the Union and the current and future Member States, as its principles continue to represent the cornerstones to navigate economic and societal megatrends, shape related policies, promote upward social convergence in the Union - in particular with a further EU enlargement on the horizon - and support progress towards the 2030 EU and national targets.** Throughout the complexities of the digital transition, the implementation of the principles enshrined in the Pillar promotes not only workers' rights in the evolving digital landscape but also equal opportunities for reskilling and upskilling, fair working conditions, and adequate social protection and social inclusion. In the context of the green transition, the Pillar should become a compass for fostering a fair transition, ensuring that no one is left behind in the pursuit of environmental sustainability. As demographic changes unfold, the Pillar provides a comprehensive framework for adapting policies to promote active and healthy ageing and address the diverse needs of a changing workforce and an older population, while ensuring intergenerational fairness and solidarity. To build a Union of Equality, the Pillar promotes actions in favour of gender equality, equal opportunities, and social inclusion. In this context, the high number of EU initiatives agreed upon since 2017 will require further transposition and adequate implementation, as well as effective monitoring of their continued effectiveness in light of fast-changing economies and societies, while - when appropriate - focusing on reducing administrative burdens.

Equal opportunities and access to the labour market

7. The first chapter of the Pillar has been effectively shaping national employment and skills policies, promoting equal opportunities within the EU labour market and in the Union more broadly:

- The *Youth Guarantee* (adopted originally in 2013 and then in its reinforced version in 2020) has been a particularly positive example of an EU initiative able to drive concrete actions at national level, including by Public Employment Services, to enhance the labour market prospects for young people, thus contributing to a decrease in youth unemployment (from 25.2% in 2013 to 14.5% in 2022) and in the share of NEETs (from 16.4% in 2013 to 11.7% in 2022) in the Union.⁸
- Employment programmes have also benefitted from the continued implementation of the 2016 *Recommendation on the integration of the long-term unemployed*, which provided guidance on enhancing outreach and expanding employment services towards people furthest away from the labour market, thus contributing to decrease long-term unemployment in the Union (from 4.3% in 2016 to 2.4% in 2022).⁹

⁸ [Council Recommendation of 30 October 2020](#) on *A Bridge to Jobs – Reinforcing the Youth Guarantee* and replacing the [Council Recommendation of 22 April 2013](#) on *establishing a Youth Guarantee*. Since the first recommendation, the implementation of the *Youth Guarantee* has been regularly assessed by EMCO and its subgroups. The latest review occurred on 20-21 November 2023 and the resulting [Key Messages](#) will be endorsed by the Council on 11 March 2024.

⁹ [Council Recommendation of 15 February 2016](#) on the *integration of the long-term unemployed into the labour market*. Its implementation has been regularly monitored by EMCO and its subgroups. The latest review occurred on 14 November 2022. The resulting [Key Messages](#) were endorsed by the Council on 8 December 2022.

- The numerous actions of the *2020-2025 European Skills Agenda* are contributing to promote a culture of lifelong learning and design upskilling and reskilling policies in Member States. In some cases, following the respective 2022 Recommendations, the introduction or piloting of *individual learning accounts*¹⁰ and the recognition of *micro-credentials*¹¹ are promoting the acquisition of skills and competences at national level. The *Skills Agenda* also paved the way for the designation of the period between May 2023 and May 2024 as the *European Year of Skills*, under which numerous activities at Union, national, regional and local level are being organised to contribute to the objectives of the *Skills Agenda* and further promote a mindset of reskilling and upskilling.¹²
- More recently, the 2022 *Recommendation on ensuring a fair transition towards climate neutrality* is proving to be a catalyst for coordinating Member States' fragmented efforts at national level to address the employment and social aspects of the green transition, including by reshaping active labour market policies and public employment services.¹³

¹⁰ [Council Recommendation of 16 June 2022](#) on *individual learning accounts*. Its implementation will be monitored by EMCO and its subgroups for the first time in 2024.

¹¹ [Council Recommendation of 16 June 2022](#) on a *European approach to micro-credentials for lifelong learning and employability*.

¹² [Decision \(EU\) 2023/936](#) of the European Parliament and of the Council of 10 May 2023 on a *European Year of Skills*. By 31 May 2025, the Commission shall present an assessment report, including ideas for further common endeavours in the field of skills in order to create a long-lasting legacy of the European Year of Skills.

¹³ [Council Recommendation of 16 June 2022](#) on *ensuring a fair transition towards climate neutrality*. Its implementation was monitored by EMCO and its subgroups on 26-27 October and by SPC on 24 October 2023, for the first time. The resulting [Key Messages](#) were endorsed by the Council on 27 November 2023.

- The implementation of EU legislation further promoting the principles of gender equality and equal opportunities is set to benefit both the labour market and society at large within the Union. Most notably, while adopted only recently, the 2023 *Directive on pay transparency* is already playing a significant role in driving national efforts to tackle pay discrimination and contribute to closing the gender pay gaps.¹⁴

8. Despite the strong labour market outcomes within the Union and the impetus on promoting skills, high labour shortages, persistent inequalities, and the uncertain impact of the green and digital transitions may hinder the full implementation of the Pillar.

Shortages have been on a rising trend for a decade, with the job vacancy rate in the Union rising from 1.3% in 2013 to a peak of 3% in 2022, in the wake of the strong economic recovery after the COVID-19 pandemic. While they have been slightly declining in 2023, labour shortages remain at historically high levels due to structural challenges such as the shrinking of the labour force driven by demographic trends, the persisting low labour market participation of some population groups, skills mismatches, as well as poor working conditions and/or low wages in certain sectors.¹⁵ The gender employment and pay gaps also remain sizeable in the Union, with the former lacking significant progress over the last decade (with only a slight decrease from 11.3pps to 10.7pps between 2013-2022) and further aggravated by the constantly higher share of part-time work among women, driven also by limited access to high quality care services. On top of these structural challenges, the progressive green and digital transformation of the EU economy is set to induce a significant labour reallocation and upskilling needs in the years to come, although its size and speed continue to remain uncertain.

¹⁴ [Directive \(EU\) 2023/970](#) of the European Parliament and of the Council of 10 May 2023 to *strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms*. Member States shall transpose the Directive by June 2026.

¹⁵ Labour shortages, including its drivers, have been discussed extensively within EMCO between 2022 and 2023, including during a tripartite EMCO meeting with EU and national social partners held on 28 November 2023. The latest evidence is available in the 2024 *Joint Employment Report* and the Commission's [2023 Labour Market and Wage Developments report](#).

9. **Notwithstanding the need to address these challenges by focusing on the implementation of existing initiatives, there might be scope for further EU actions to support Member States in delivering on the principles of equal opportunities and access to the labour market.** For instance, in light of the widespread labour shortages¹⁶ and skills mismatches affecting all Member States – and to facilitate a uniform application of these principles within the Single Market, including to accompany the twin transition – further actions promoting a mindset of lifelong learning are needed. Similarly, the decade-long positive experience of the *Youth Guarantee* as well as the actions related to the new *Council Recommendation on developing social economy framework conditions*¹⁷ are relevant to explore how to better support those furthest away from the labour market in finding job opportunities. Moreover, beyond activating the domestic labour force, to further address shortages, debates at EU level might focus on the continued integration of displaced persons from Ukraine¹⁸, possibilities to facilitate intra-EU labour mobility, and initiatives to attract foreign talent to the EU where needed while ensuring fair mobility and safeguarding labour and social rights.¹⁹ Finally, both the *European Skills Agenda* and the *EU Gender Equality Strategy* and other EU equality strategies are set to come to an end in 2025, calling for reflecting on their achievements and evaluating the possible need for new strategies to promote the shift towards lifelong learning, complete the EU anti-discrimination and anti-racism frameworks, and achieve gender equality.

¹⁶ On 31 January 2024, following the [Val Duchesse Social Summit](#), the Commission announced that in spring 2024 it will present in cooperation with social partners an action plan to tackle labour and skills shortages.

¹⁷ [Council Recommendation of 27 November 2023](#) on *developing social economy framework conditions*.

¹⁸ On 4 March 2022, the [Council triggered the Council Directive of 20 July 2021](#) (“*Temporary Protection Directive*”) in response to Russia’s war of aggression against Ukraine. The Directive contains provisions to ensure, among others, access to employment, education, social welfare, medical care, and housing, as well as the right to move freely within the Union under certain conditions. Originally valid until March 2024, in September 2023 the Council agreed to extend the temporary protection until 4 March 2025. According to the [Commission’s 2023 Autumn Forecast](#), around 33% of the 4.2 million registered in the EU under the Directive have found employment so far. In 2022, EMCO and SPC coordinated the Member States’ replies to a survey launched by the Commission to collect the actions that were being taken at national level to support the social and labour market integration of displaced persons from Ukraine.

¹⁹ On 15 November 2023, the Commission [proposed an EU Regulation establishing an EU Talent Pool](#). The proposal is currently under examination by the co-legislators.

Fair working conditions

10. **The implementation of the second chapter of the Pillar has been characterised by a mix of hard and soft instruments promoting fair working conditions in the Member States:**

- The 2019 *Directive on Transparent and Predictable Working Conditions* aims at guaranteeing to all workers in the EU rights to receive complete information on essential aspects of their work, regardless of their form of employment.²⁰
- The 2019 *Directive on work-life balance for parents and carers* aims at modernising the EU legal framework in the area of family-related leaves and flexible working arrangements. It included legal provisions introducing paternity leave, strengthening parental leave, introducing carers' leave, and extending the right to request flexible working arrangements to working parents and carers. In addition, the Directive contained also policy measures designed to support Member States in the aims of achieving a better work-life balance and more equally distributed caring responsibilities.²¹

²⁰ [Directive \(EU\) 2019/1152](#) of the European Parliament and of the Council of 20 June 2019 on *transparent and predictable working conditions in the European Union*. Member States must have transposed the Directive by August 2022. A [report](#) on its transposition was prepared in 2021.

²¹ [Directive \(EU\) 2019/1158](#) of the European Parliament and of the Council of 20 June 2019 on *work-life balance for parents and carers* and repealing Council Directive 2010/18/EU. Member States must have transposed the Directive by August 2022.

- The *2021-2027 EU Strategic Framework on Health and Safety at Work* represents the EU strategy to improve workers' health and safety based also on the lessons learnt from the COVID-19 pandemic. Aimed at addressing changes in the world of work, improving the prevention of workplace accidents, and increasing preparedness for potential future health crises, the Framework is being instrumental in coordinating updates to the legal frameworks in the Member States, in cooperation with the social partners where relevant.²²
- The 2022 *Directive on adequate minimum wages* aims at establishing a common framework for the adequacy of statutory minimum wages, the promotion of collective bargaining on wage-setting and the effective access of workers to rights to minimum wage protection, without prejudice to the full respect for the autonomy of the social partners. The Directive establishes a governance framework for setting and updating statutory minimum wages guided by clear criteria that shall include their purchasing power, wage distribution and levels, wage growth, and productivity, and requires Member States in which the collective bargaining rate is less than 80% to establish an action plan to promote collective bargaining.²³

²² Commission Communication "[*EU strategic framework on health and safety at work 2021-2027 - Occupational safety and health in a changing world of work*](#)", 28 June 2021.

²³ [*Directive \(EU\) 2022/2041*](#) of the European Parliament and of the Council of 19 October 2022 on *adequate minimum wages in the European Union*. Member States shall transpose the Directive by November 2024. A [report](#) on its transposition was prepared in 2023.

- Most recently, the 2023 *Recommendation on strengthening social dialogue* aims, *inter alia*, at providing guidance to Member States on reinforcing social dialogue and collective bargaining at national level.²⁴ The Recommendation complements renewed efforts to enhance social dialogue at Union level²⁵, as well as the dedicated EU funding from the *European Social Fund Plus* (ESF+) to improve the capacity building of social partners in Member States where this is a prominent challenge.²⁶

11. **While these initiatives contributed to a more level playing field across the Union, assessing the impact of rapid technological developments on working conditions and the emergence of new occupational risks associated with climate change remain key policy priorities.** In fact, notwithstanding the opportunities stemming from technological advancements, uncertainties persist surrounding the progressive proliferation of platform work, artificial intelligence, and algorithmic management on workplace dynamics. As in recent years, such uncertainties may continue to pose risks to the interpretation and proper application of national labour laws, particularly in areas such as working time, work-life balance, task allocation, and the classification of the employment status of certain workers. In relation to health and safety, further adaptation to the relevant regulations and frameworks may need to better incorporate both the psychosocial risks linked to the digital transition, including negative impacts on mental health, and specific hazards stemming from climate change (in the case of jobs associated with exposure to extreme weather conditions) by encouraging their prevention, in addition to speeding up the setting of minimum standards regarding hazardous substances.

²⁴ [Council Recommendation of 12 June 2023](#) on strengthening social dialogue in the European Union. Its implementation will be monitored by EMCO – in cooperation with social partners – as of 2025, when Member States are set to submit a first reporting.

²⁵ Detailed in the Commission Communication “[Strengthening social dialogue in the European Union – harnessing its full potential for managing transitions](#)”, 25 January 2023.

²⁶ See [Regulation \(EU\) 2021/1057](#) of the European Parliament and of the Council of 24 June 2021 establishing the *European Social Fund Plus* (ESF+) and repealing Regulation (EU) No 1296/2013. Art. 9 indicates that where the capacity building of the social partners is identified by a relevant country-specific recommendation adopted under the European Semester, the concerned Member State shall allocate at least 0.25% of its resources of the ESF+ strand under shared management for that purpose.

12. **Beyond possible adaptations to health and safety regulations, addressing potential risks of worsening working conditions may require EU initiatives, fully respecting national labour market models, as well as a stronger involvement of social partners and more effective enforcement mechanisms.** To address some of the risks related to the further digitalisation of work, in February 2024 the Council and the European Parliament reached an agreement for an *AI Act*. Moreover, EU legislation may require updates²⁷ to better align its provisions to the digital age, such as the right to disconnect and the working conditions in platform work. Initiatives to improve the ability to detect fraud and abuse, as well as the capacity and the cross-border cooperation of national labour inspectorates may also contribute to further improving working conditions, including in relation to fostering fair labour mobility across the Union. In this respect, the forthcoming evaluation of the European Labour Authority represents an opportunity to reflect upon its further development.²⁸ With regard to social dialogue, the 2023 *Recommendation* seeks to ensure an enabling environment for bipartite and tripartite social dialogue at all levels. Yet, the declining trends in trade union density, the low share of workers covered by collective agreements in most Member States, the declining wage share, as well as the persistent lack of agreements at Union level between EU social partners, may require further efforts in this direction.²⁹ Strengthening employee involvement and the role of the social partners is indispensable to increase the active role in managing and accepting the current and upcoming major transitions. In this context, among others, the development of EU actions improving the representation of underrepresented categories in social dialogue may be explored in line with national practices.

²⁷ Such as to [Directive 2003/88/EC of 4 November 2003 concerning certain aspects of the organisation of working time](#) and [Directive 2002/14/EC of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community](#).

²⁸ The [European Labour Authority \(ELA\) was established on 20 June 2019](#) to assist Member States and the Commission in their effective application and enforcement of Union law related to labour mobility across the Union and the coordination of social security systems within the Union. In 2024, the Commission will present a first evaluation on the activities of ELA.

²⁹ Following the [Val Duchesse Social Summit](#), on 31 January 2024 the Commission, the Belgian Presidency of the Council and European social partners agreed to launch a new *Pact for European Social Dialogue* to identify how to further reinforce social dialogue at Union level.

Social protection and inclusion

13. **The third chapter of the Pillar has supported policies strengthening adequate social protection and enhancing social inclusion through various Council recommendations and other important initiatives aimed at protecting and empowering people to manage various vulnerable situations.**

- The 2021 *Council Recommendation on the European Child Guarantee*³⁰ is a key initiative for tackling child poverty and fostering equal opportunities, setting a framework for policy reforms and to prevent and combat social exclusion across generations from an early age through ensuring free and effective access for children in need of various services, such as early childhood education and care, education and school-based activities, at least one healthy meal each school day, and healthcare. Its implementation has been supported by investments with ringfenced allocation of EU resources in combination with various child-related EU initiatives, like for instance the 2022 *Council recommendation on the revision of the Barcelona targets on early childhood education and care*,³¹ setting the new (higher) targets for 2030.
- The 2019 *Council Recommendation on access to social protection for workers and the self-employed*³² has been a driving force to influence national policies and measures for adapting to changes on the labour markets and ensure access to social protection for all, regardless of employment status. The implementation of the initiative is supported by mutual learning activities at Union level and improving EU statistics through a dedicated monitoring framework.

³⁰ [Council Recommendation of 14 June 2021](#) establishing a European Child Guarantee.

³¹ [Council Recommendation of 8 December 2022](#) on early childhood education and care: the Barcelona targets for 2030.

³² [Council Recommendation of 8 November 2019](#) on access to social protection for workers and the self-employed.

- The 2023 *Council Recommendation on adequate minimum income, ensuring active inclusion*³³ calls on Member States to promoting adequate income support as part of the ongoing commitment to reduce poverty and social exclusion in the EU. It has been guiding actions at national level to improve adequacy, coverage and take-up of benefits in combination with better access to essential and enabling services to those furthest from the labour market, including active labour market policy measures and targeted and personalised social services.
- The 2022 *European Care Strategy*³⁴, with the corresponding *Council Recommendation on affordable high-quality long-term care*³⁵ provide a framework for reforms and investments at EU and national levels to ensure quality, affordable and accessible care services across the EU and improve the situation for both the care receivers and the people caring for them. The Council Recommendation on long-term care invites Member States to improve access to affordable, high-quality long-term care for all those who need it, by ensuring adequate social protection for long-term care, continuously aligning the offer of services to the needs, ensuring high-quality standards in all care settings regardless of the type of providers, supporting quality employment and fair working conditions in the sector, addressing skills needs and worker shortages, and supporting informal carers in their caregiving activities.

³³ [Council Recommendation of 30 January 2023](#) on *adequate minimum income ensuring active inclusion*.

³⁴ Commission Communication on the “[European Care Strategy](#)”, 7 September 2022.

³⁵ [Council Recommendation of 8 December 2022](#) on *access to affordable high-quality long-term care*.

- The 2021 *Strategy for the rights of persons with disabilities 2021-2030*³⁶ contains an ambitious set of actions and flagship initiatives in various domains, addressing also the risks of social exclusion faced by persons with multiple disabilities. Accomplishing these initiatives will contribute to reducing discrimination, support persons with disabilities to fully enjoy their social rights, and enable further their independence, improving their participation in society and the labour market. More recently, the proposed *European Disability Card and the European Parking card for persons with disabilities*³⁷ will support their social inclusion across the Union.

³⁶ Commission Communication “[Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030](#)”, 3 March 2021.

³⁷ [COM/2023/512 Proposal for a Directive](#) of the European Parliament and of the Council *establishing the European Disability Card and the European Parking Card for persons with disabilities*.

- Other EU level actions contribute to monitor policy developments in line with the Employment Guidelines and inspire policy reforms, like the regular delivery of the *Pension Adequacy Report*³⁸ and a *Report on Long-Term Care*³⁹, which facilitate the exchange of information and practices and complements the Ageing Report, delivered by the ECOFIN *filière*. The *European Platform on combatting Homelessness*⁴⁰ launched in 2021 plays a key role at EU level to strengthen evidence on and monitoring homelessness, support mutual learning to promote policies based on a person-centered, housing-led and integrated approach and explore access to finance, including EU funding. In general, provision of enabling services in the welfare systems, complementing the various benefits has an important role as recalled by all initiatives. Furthermore, the *Communication on better assessing the distributional impact of Member States' policies*⁴¹ provides guidance for Member States on how best to conduct distributional impact assessments on the income of different socio-economic groups and incorporate them into their policymaking processes and sets out a process for further developing existing methodologies together with the Member States.

³⁸ The latest 2021 edition of the triannual [Pension Adequacy Report](#).

³⁹ The [2021 Long-Term Care Report](#), jointly prepared by the European Commission and the Social Protection Committee.

⁴⁰ Lisbon Declaration on the [European Platform on Combatting Homelessness](#) of 21 June 2021.

⁴¹ Commission Communication on “[Better assessing the distributional impact of Member States' policies](#)”, 28 September 2022.

14. **While poverty remained stable without significant improvement on average and child poverty slightly increased, additional challenges arise due to demographic trends, labour market transformations, the increasing number of people with mental health issues, and the rising cost of living.** The sustainability of the welfare state is challenged by ongoing demographic megatrends in the ageing society, with the consequent need to reconcile adequacy and sustainability, including in pension, health and long-term care systems. Labour market transformations, leading to more diverse, non-linear and fragmented careers beyond standard work arrangements, lead to increased challenges to guarantee adequate social protection for all. The green and digital transformations represent an opportunity for improving social protection and social service provision but also raise risk in labour market participation and social inclusion of people in vulnerable situations. Structural challenges remain in relation to the fight against poverty and the precariousness of people in vulnerable situations, in particular for the inclusion of persons with disabilities and suffering from mental health problems. Homelessness remains an issue in many Member States, along with challenges related to housing affordability, energy poverty and high cost of living impacting a broad range of people, but mostly those on low incomes, calling for integrated strategies and follow up at EU level. Supporting families and protecting children from poverty and social exclusion is increasingly important to break the intergenerational transmission of poverty, thus actions in further implementation and monitoring of the *European Child Guarantee* are key. While access to social services (including childcare and long-term care) is key in promoting work-life balance and tackling social exclusion, challenges remain in this sense, in particular to reach the most disadvantaged groups to improve their living conditions, increase their take up of social protection benefits and facilitate activation. Similarly, people at risk of poverty or social exclusion face difficulties to access essential services.

15. **While the wide range of existing initiatives calls for thorough follow up and monitoring, further efforts to implement them, alongside possible new actions, could enhance the resilience of the welfare states.** To address demographic challenges, further improvement of affordable, quality social service provision could benefit from EU level action, while taking into account national contexts and division of competences. It could include addressing the workforce needs in the care sector, considering territorial inequalities, exploring the opportunities in digitalisation, and efforts for deinstitutionalization. The *Voluntary European Quality Framework for Social Services* deserves a revision to improve its relevance and use, alongside further work on access to essential services. Also continued efforts are needed to improve the adequacy of the pension systems in particular to tackle the gender gap and reconcile the adequacy and fiscal sustainability dimensions. A strengthened coordination between the delivery of the *Ageing Report*, *Pension Adequacy Report* and the *Long-Term Care Report* would ensure complementarity and coherence of monitoring. In line with the *Report of the EU High-Level Group on the future of social protection*, an emphasis on the life cycle approach and on social investment may support improving resilience across the EU.⁴² Tackling challenges in labour market transformations calls for continuous improvement of adequate national social protection systems and modernisation of the coordination of social security systems in the EU. Thus, it is a key priority to intensify mutual learning, monitoring and further the implementation of the *Council Recommendation on access to social protection for workers and the self-employed*, including with regard to opportunities and challenges of digitalisation in social protection, while respecting the diversity of national social protection systems. In addition, the implementation of the *Council Recommendation on adequate minimum income ensuring active inclusion* should play a role in further developing the social safety net ensuring basic protection of the active population - particularly during economic shocks - while facilitating smooth transitions to the labour market of those who can work and tackle in-work poverty.

⁴² The [report](#) of the High-Level Group on the Future of Social Protection and of the Welfare State in the EU was completed in January 2023.

Further steps should be taken to develop an ambitious second phase of the *Strategy for the Rights of Persons with Disabilities*, while for persons with mental health issues, we could build further on the *Comprehensive Approach to Mental Health*. Strengthening methodologies to assess policy impacts on poverty, in particular use and dissemination of distributional impact assessments, seems an area where further action could be explored. Improving the timeliness and the availability of data and facilitating access would also allow strengthening the monitoring of the social situation in the EU and support evidence-based policy development.

Governance

16. **The European Semester should remain the key framework to monitor the implementation of the Pillar, including in relation to the progress achieved towards the 2030 EU and national targets on employment, skills, and poverty reduction.** The 2030 targets are significantly contributing to support the identification of policy priorities at national level and improve the visibility of the social dimension of the Union. The numerous EU initiatives adopted in recent years to implement the principles of the Pillar significantly shaped the agenda of EMCO and SPC, which often have been consulted on upcoming proposals by the Commission. Moreover, EMCO and SPC have also been entrusted by the Council to monitor the implementation of numerous Recommendations, in addition to the preparation of the annual Council proceedings related to the European Semester referred to in Art. 148 TFEU. Looking forward, as stressed by the *EMCO-SPC Opinion on the value added of social investment and the role of the EPSCO Council filière in the governance of the European Semester*, endorsed by the Council in November 2023⁴³, it is important to ensure effective cooperation and joint reflections between the EPSCO and the ECOFIN *filières* of the Council on the European Semester, including in light of the future implementation of the new EU economic governance.

⁴³ See the [EMCO-SPC Opinion on the value added of social investment and the role of the EPSCO Council filière in the governance of the European Semester](#), endorsed by the Council on 28 November 2023.

To maintain the multilateral nature of the Semester and Member States' ownership of the analysis and recommendations therein, the EPSCO Council *filière*, according to the relevant Treaty provisions, should retain its coordinating role in relation to the relevant content of all documents within the Semester framework. Exploring improvements to the monitoring tools used within the Semester, including the Social Scoreboard should be continued without increasing the administrative burden.⁴⁴ In this context, the 2024 cycle of the European Semester includes a pilot analysis of social convergence based on the features of the Social Convergence Framework, as described in the EMCO-SPC *Key Messages* presented to the Council in June 2023.⁴⁵

17. **The exceptional shocks faced by the Union in recent years – notably the COVID-19 pandemic, Russia's war of aggression against Ukraine, the return of high inflation and the prominence of natural disasters in some Member States – often blurred the demarcation between policy areas, recalling the need to ensure policy coherence at Union and national level.**

⁴⁴ As outlined in the [corresponding EMCO-SPC Opinion](#), although the 2021 revision of the Social Scoreboard improved the coverage of the Pillar principles among the Scoreboard headline indicators, some principles remain uncovered and further discussions are needed regarding whether to include “secondary” indicators. Furthermore, in the [EMCO-SPC assessment on the Europe 2020 Strategy](#) conducted in 2019, the Committees highlighted the need to simplify and consolidate their monitoring tools, including by improving their visibility, accessibility and usability: in response to this call, the indicator groups of EMCO and SPC are currently reflecting on the use and composition of their monitoring and reporting tools.

⁴⁵ See the [EMCO-SPC Working Group Report on the Social Convergence Framework](#) as well as the [Key Messages](#) endorsed by EMCO-SPC based on the report. EMCO and SPC will examine the impact of the aforementioned pilot analysis on their activities and on the 2024 European Semester cycle.

In this context, ongoing debates in the EPSCO Council *filière* on the value added of social investment policies – as defined in the related EMCO-SPC Opinion of November 2023 – welcomed the evidence showing that, if well-designed, reforms and investments based on a social investment approach⁴⁶ can have a substantial impact on economic growth, productivity, and competitiveness, thereby also supporting fiscal sustainability while promoting the implementation of the Pillar principles. On the other hand, policies and measures lacking *ex ante* distributional impact assessments may lead to small or nihil effects, or in the worst of cases to adverse effects on household incomes, with unintended consequences of heightened poverty risks and social inequalities.⁴⁷ In this context, effective cooperation across Council *filières* is essential to ensure policy coherence at Union and national level. Moreover, renewed efforts to improve evidence-based policymaking may be needed to capture these effects, against the background of the structural challenges brought about by the green and digital transitions and population ageing. In particular, in addition to enhanced mutual learning opportunities, relevant areas of exploration at Union level to support the administrative capacity of Member States in this respect could be the development of common guiding principles and standards for voluntary use of Member States. These should focus on the use of impact assessment and evaluation methodologies related to social investment policies and the enhanced use of administrative data to compile more timely harmonised and granular EU and national statistics, with better disaggregation, and facilitate access to microdata while ensuring compliance with data protection regulations.

⁴⁶ As recalled in the *EMCO-SPC Opinion on social investment* endorsed in November 2023, previous work undertaken by the Council – which could continue to be built upon – defined the social investment approach as designing labour market, skills and social policies to enhance individuals' current and future capabilities, with a focus on enabling them and developing their capacity to address socio-economic risks in a life-course perspective.

⁴⁷ In September 2022, the Commission published a [Communication on better assessing the distributional impact of Member States' policies](#). This Communication provides guidance for Member States on how best to conduct distributional impact assessments on the income of different socio-economic groups and incorporate them into their policymaking processes. It sets out a process for further developing existing methodologies together with the Member States and presents the support the Commission can provide to the Member States.

18. **The use of EU funds has supported Member States in planning and implementing measures in areas related to the principles of the Pillar, including in the aftermath of the sudden economic crisis stemming from the COVID-19 pandemic.** Cohesion policy programmes, and most notably the ESF+, should continue to contribute to the implementation of the Pillar principles and Country-Specific Recommendations as identified within the Semester, in line with national circumstances, to support measures and investments particularly in Europe's less developed regions. The importance of cohesion policy funds grew over time also due to the declining trend of public investments in the Union between 2008-2019.⁴⁸ Based on Commission's projections, the 2021-2027 cycle is set to create 1.3 million additional jobs by 2027, with an annual rate of return of around 3.4% over 25 years from the start of the programming period and significant positive spillover effects across EU regions.⁴⁹ During the COVID-19 pandemic, Member States benefitted from an enhanced flexibility which contributed to address the major strain on healthcare services and support businesses, preventing further job losses and scarring effects to affected workers.⁵⁰ The economic recovery was further enhanced by the establishment of *SURE* and the *Recovery and Resilience Facility* as temporary Union instruments, with the latter integrated into the European Semester until 2026 to provide financial support for reforms and investments contributing to implement, among other EU priorities, also the principles of the Pillar. Looking forward, and notwithstanding the discussion on the way it was financed⁵¹, the experience of *SURE* and its ongoing evaluation may provide lessons for the effectiveness of future EU schemes.

⁴⁸ See the Commission's [Staff Working Document on 'Cohesion in Europe towards 2050 – Eight report on economic, social and territorial cohesion'](#), published in 2022.

⁴⁹ See the Commission's [Staff Working Document on 'Cohesion 2021-2027: forging an ever stronger Union – Report on the outcome of 2021-2027 cohesion policy programming'](#), published in April 2023.

⁵⁰ Via the [Coronavirus Response Investment Initiative \(CRII\)](#) and the [Coronavirus Response Investment Initiative Plus \(CRII+\)](#), adopted in March and April 2020, respectively.

⁵¹ EMCO and SPC consider that the specific financing mechanism of *SURE*, through the provision of loans to Member States at favourable terms, is first and foremost a matter for the ECOFIN *filière* of the Council.

The principles of the European Pillar of Social Rights

Chapter I - Equal opportunities and access to the labour market

1. Education, training and life-long learning

Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

2. Gender equality

Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression.

Women and men have the right to equal pay for work of equal value.

3. Equal opportunities

Regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services available to the public. Equal opportunities of under-represented groups shall be fostered.

4. Active support to employment

Everyone has the right to timely and tailor-made assistance to improve employment or self-employment prospects. This includes the right to receive support for job search, training and re-qualification. Everyone has the right to transfer social protection and training entitlements during professional transitions.

Young people have the right to continued education, apprenticeship, traineeship or a job offer of good standing within 4 months of becoming unemployed or leaving education.

People unemployed have the right to personalised, continuous and consistent support. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.

Chapter II – Fair working conditions

5. Secure and adaptable employment

Regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. The transition towards open-ended forms of employment shall be fostered.

In accordance with legislation and collective agreements, the necessary flexibility for employers to adapt swiftly to changes in the economic context shall be ensured.

Innovative forms of work that ensure quality working conditions shall be fostered. Entrepreneurship and self-employment shall be encouraged. Occupational mobility shall be facilitated.

Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts. Any probation period should be of reasonable duration.

6. Wages

Workers have the right to fair wages that provide for a decent standard of living.

Adequate minimum wages shall be ensured, in a way that provide for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.

All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.

7. Information about employment conditions and protection in case of dismissals

Workers have the right to be informed in writing at the start of employment about their rights and obligations resulting from the employment relationship, including on probation period.

Prior to any dismissal, workers have the right to be informed of the reasons and be granted a reasonable period of notice. They have the right to access to effective and impartial dispute resolution and, in case of unjustified dismissal, a right to redress, including adequate compensation.

8. Social dialogue and involvement of workers

The social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices. They shall be encouraged to negotiate and conclude collective agreements in matters relevant to them, while respecting their autonomy and the right to collective action. Where appropriate, agreements concluded between the social partners shall be implemented at the level of the Union and its Member States.

Workers or their representatives have the right to be informed and consulted in good time on matters relevant to them, in particular on the transfer, restructuring and merger of undertakings and on collective redundancies.

Support for increased capacity of social partners to promote social dialogue shall be encouraged.

9. Work-life balance

Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.

10. Healthy, safe and well-adapted work environment and data protection

Workers have the right to a high level of protection of their health and safety at work.

Workers have the right to a working environment adapted to their professional needs and which enables them to prolong their participation in the labour market.

Workers have the right to have their personal data protected in the employment context.

Chapter III – Social protection and inclusion

11. Childcare and support to children

Children have the right to affordable early childhood education and care of good quality.

Children have the right to protection from poverty. Children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities.

12. Social protection

Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection.

13. Unemployment benefits

The unemployed have the right to adequate activation support from public employment services to (re)integrate in the labour market and adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits shall not constitute a disincentive for a quick return to employment.

14. Minimum income

Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.

15. Old-wage income and pensions

Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.

Everyone in old age has the right to resources that ensure living in dignity.

16. Healthcare

Everyone has the right to timely access to affordable, preventive and curative healthcare of good quality

17. Inclusion of people with disabilities

People with disabilities have the right to income support that ensures living in dignity, services that enable them to participate in the labour market and in society, and a work environment adapted to their needs.

18. Long-term care

Everyone has the right to affordable long-term care services of good quality, in particular home-care and community-based services.

19. Housing and assistance for the homeless

Access to social housing or housing assistance of good quality shall be provided for those in need.

Vulnerable people have the right to appropriate assistance and protection against forced eviction.

Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.

20. Access to essential services

Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.
