

Brussels, 13 June 2025 (OR. en)

9420/25

SOC 317 EMPL 201 JEUN 160 EDUC 184 SAN 360 ECOFIN 603 CLIMA 216

NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	From Principles to Progress: the new European Pillar for Social Rights Action Plan and the first anti-poverty strategy
	- Policy debate

Delegations will find attached a Presidency steering note on the above subject, with a view to the policy debate at the Council (EPSCO) on 19 June 2025.

Eurofound has prepared a background note "Anticipated threats to poverty in Europe: Navigating the new challenges" for this policy debate that is set out in ADD 1 to this note.

9420/25 LIFE.4

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FROM PRINCIPLES TO PROGRESS: THE NEW ACTION PLAN TO IMPLEMENT THE EUROPEAN PILLAR OF SOCIAL RIGHTS AND THE EU'S FIRST ANTI-POVERTY STRATEGY

The review of 2021 Commission Action Plan and the new Action Plan to implement the European Pillar of Social Rights:

Paragraph §5 of the Porto declaration of 8 May 2021, adopted by EU heads of state or government, states that they "are determined to continue deepening the implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality". The Action Plan presented by the Commission on 4 March 2021 provides useful guidance for the implementation of the European Pillar of Social Rights, including targets in the areas of employment, skills, social protection and poverty reduction. The Action Plan stipulates that 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 three 2030 EU social targets. The Commission's intention is that the new Action Plan will reflect on what has been achieved and identify any gaps that need to be addressed. In addition, beyond the implementation of flagship initiatives announced in the Political Guidelines for 2024-2029, the new Action Plan will reflect on an overarching set of ambitious policies and initiatives to protect the labour and social rights of citizens and workers faced with new and emerging challenges in the short- and mediumterm. The new Action Plan will be framed around the three chapters of the Pillar (equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion). It will reflect the most pertinent challenges and opportunities ahead framed by the rapidly evolving socio-economic, labour market, demographic and geopolitical context, as well as the key political priorities in terms of competitiveness, the digital and green transitions, and preparedness. The new Action Plan will present a positive agenda, creating a new momentum for Social Europe and mainstreaming social policies across all EU priorities.

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Consultation on the new Action Plan to implement the European Pillar of Social Rights (and the review of the 2021 Action Plan), European Commission, meeting of the Employment Committee and Social Protection Committee-SPC meeting, 13-14 May 2025.

A new EU Anti-Poverty Strategy:

The Commission Political Guidelines also envisage the adoption of the first ever EU Anti-Poverty Strategy, aiming to help people to access the essential protections and services they need, along with addressing the root causes of poverty. While the primary responsibility for addressing poverty and social exclusion rests with the Member States, national actions have been stimulated and monitored at the EU level including through the open method of coordination and guidance. Some Member States have adopted national anti-poverty strategies. The new EU Anti-Poverty Strategy should support Member States to achieve the EU's 2030 poverty reduction target. This target aims to reduce the number of people at risk of poverty or social exclusion by at least 15 million by 2030 (compared to 2019), with at least 5 million of these being children. Anti-poverty policies have been thwarted by the challenges in accessing social rights and services leading to active inclusion of disadvantaged and vulnerable groups.

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Ursula von der Leyen, *Europe's Choice: Political Guidelines for the Next European Commission 2024-2029*, Strasbourg, 18 July 2024, p. 18.

A just transition for all:

People and their jobs must always remain at the heart of our social market economy even as our industries, economies and demographic structure change shape. We need to ensure a just transition for all.³ The new Action Plan to implement the European Pillar of Social Rights will include initiatives on quality jobs, skills, and social protection, looking at how to mitigate the social, labour market and distributional effects of the digital transition. However, more needs to be done under the new Clean Industrial Deal, upcoming review of EU Emissions Trading Scheme and in the new Action plan implementing the European Pillar of Social Rights to make the EU's ambitious green transition socially sustainable. The distributional effects of policies to decrease dependency on fossil fuels, e.g. those resulting from the emissions trading system for buildings, road transport and additional sectors (ETS2 – Emissions Trading System), will adversely affect vulnerable households, vulnerable micro-enterprises and vulnerable transport users. The Social Climate Fund (SCF) aims to cushion the impacts of ETS2 through measures and investments intended to increase the energy efficiency of buildings, decarbonisation of heating and cooling of buildings, providing access to clean transport solutions and through temporary direct income support. Member States are expected to submit their Social Climate Plans by 30 June 2025, with a view to ensuring effective implementation and deployment of the available resources.

European Foundation for the Improvement of Living and Working Conditions (Eurofound) has prepared an interesting note on "Anticipated threats to poverty".

3 Ibidem.

Against this background, Ministers are invited to hold a policy debate based on the following questions:

- (1) After its proclamation in 2017, the European Pillar of Social Rights has been a point of reference in addressing common employment, skills and social challenges, and to foster upward convergence in working and living conditions in the Union. In your opinion were there any gaps in the 2021 Action Plan? What key priorities/areas/aspects would you like to see strengthened/included in the new Action Plan to implement the European Pillar of Social Rights in the context of digital, green and demographic transitions?
- (2) Given the current unstable geopolitical situation in terms of security and disruptions in international trade, as well as Europe's digital and green transitions agenda, what should be the priorities of the first ever EU Anti-Poverty Strategy?
- (3) With a view to effectively mitigating the social impacts of ETS2, which investments and reforms will you put forward in your Social Climate Plan, keeping in mind the different national circumstances, including the different capabilities of Member States? What additional measures should be undertaken to ensure a just transition or avoid adverse social impacts of ETS2?

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