**Follow up to the European Parliament non-legislative resolution on the European Semester for economic policy coordination: Employment and social priorities for 2023**

1. **Rapporteur:** Estrella DURÁ FERRANDIS (S&D / ES)
2. **Reference numbers:** 2022/2151 (INI) / A9-0051/2023 / P9\_TA(2023)0079
3. **Date of adoption of the resolution:** 15 March 2023
4. **Competent Parliamentary Committee:** Committee on Employment and Social Affairs (EMPL)
5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution presents the employment and social priorities of the European Parliament for the 2023 European Semester cycle in view of the socio-economic challenges stemming from the COVID-19 crisis and the Russian invasion of Ukraine. The broader context also entails the ongoing economic governance review as part of which the Commission put forward its orientations on possible reforms of the governance framework in November 2022. The resolution endorses the ambition to coordinate EU policy responses more closely to mitigate the impact of high energy prices, high inflation rates, supply shortages, increased debt levels and rising borrowing costs on households and businesses. In particular, the Parliament highlights the need to strengthen the social dimension of the European Semester and calls on the Commission to consider presenting a social convergence framework to monitor social risks, prevent negative spillover effects from economic shocks and detect potential setbacks for the proper implementation of the European Pillar of Social Rights. The resolution emphasises the need to address the situation of certain groups such as women, children, young people, people with migrant background, homeless persons and persons with disabilities. Specifically, the European Parliament calls for a reinforcement of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), an increase in the funding of the European Child Guarantee with a dedicated budget of at least EUR 20 billion, more targeted support for vulnerable groups and the development of green social protection schemes at the national level to strengthen social resilience against the impact of climate change and environmental degradation. Furthermore, the resolution calls for a number of legislative initiatives including a possible revision of the EU Quality Framework for services of general interest and the European public procurement Directive, legislation to regulate teleworking conditions and to review existing instruments such as the Quality Framework for Traineeships and the European Framework for Quality and Effective Apprenticeships so as to include quality criteria, including the principle of fair remuneration for trainees and interns, access to social protection, sustainable employment and social rights.

1. **Response to the requests in the resolution and overview of the action taken, or intended to be taken, by the Commission:**

**Paragraphs 4, 7, 13 and 16:** The Commission takes the fight against poverty and social exclusion in the EU very seriously and is committed to supporting Member States in addressing its root causes. The policy framework to address poverty is the European Pillar of Social Rights (EPSR) (2017/C 428/09), and its Action Plan (COM/2021/102 final) that represent a compass for upward social convergence in the EU and set out principles for leaving no one behind. The Action Plan sets three EU headline targets to be achieved by 2030 in employment, training, and poverty reduction. This includes reducing the number of people at risk of poverty of exclusion by at least 15 million people, including at least 5 million children. The Action Plan also includes a gender perspective. To achieve the target of at least 78% of the population aged 20 to 64 in employment by 2030, it underlines that the EU must strive to at least halve the gender employment gap compared to 2019. Member States welcomed the EU headline targets, in line with the Porto Declaration, and put forward their national targets to achieve this ambition. The Commission supports this process through several important actions. For example, the Council Recommendation on adequate minimum income ensuring active inclusion (2023/C 41/01) provides guidance on how minimum income schemes can be more effective in lifting people out of poverty, while promoting the labour market integration of those who can work. It applies to people lacking sufficient resources and builds on the active inclusion approach put forward in the [2008 Commission Recommendation on the active inclusion of people excluded from the labour market](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32008H0867).

Regarding in-work poverty, Directive (EU) 2022/2041 on adequate minimum wages in the EU aims at ensuring that workers in the Union are protected by adequate minimum wages allowing for a decent living, thereby contributing to reducing in-work poverty. Another crucial instrument is the implementation of the Council Recommendation on access to social protection for workers and the self-employed (2019/C 387/01**)**. Its objective is to ensure that those who work have sufficient, effective and adequate access to social protection that can help prevent in-work poverty. In addition, the Council Recommendation on adequate minimum income ensuring active inclusion advocates the possibility to combine income support with earnings from work to encourage transitions into the labour market and ensure the availability of benefits to complement salaries where needed. It also calls on Member States to regularly review incentives and disincentives resulting from tax and benefit systems to ensure that work pays.

With the aim of reducing child poverty and ensuring equal opportunity for children in need, the Council Recommendation (EU) 2021/1004 establishing a European Child Guarantee complements and strengthens the 2013 Commission Recommendation on Investing in Children and also complements the Union comprehensive Strategy on the Rights of the Child (COM(2021) 142 final). The Recommendation on a European Child Guarantee recommends the Member States to ensure that children in need have: (a) effective and free access to high quality early childhood education and care, education and school-based activities, at least one healthy meal each school day and healthcare; (b) effective access to healthy nutrition and adequate housing. With regard to the call of the European Parliament for detailed monitoring of the Child Guarantee, the Commission intends to use also the European Semester for this purpose, including through country-specific recommendations as necessary. The revised Social Scoreboard includes a new headline indicator, ‘At-risk-of-poverty-or-exclusion rate of children AROPE (0-17)’, matching the target group of the European Child Guarantee. The Commission, together with the Social Protection Committee, has also developed a benchmarking framework for childcare and support to children, focusing on monitoring of the implementation of Principle 11 of the European Pillar of Social Rights. The Commission also intends to work jointly with the Social Protection Committee to establish a common monitoring framework and develop agreed common quantitative and qualitative outcome indicators to assess the implementation of the Guarantee. As part of this exercise, the Commission aims to enhance the availability, scope and relevance of comparable data in this area at EU level. Every two years, Member States are invited to report to the Commission on the advancement of their national action plans. On that basis, the Commission will review the progress made in the implementation of the European Child Guarantee and report to the Council in 2026. The Commission is of the view that the creation of an additional dedicated budget to implement the European Child Guarantee is not necessary at this stage. A kind of dedicated budget exists under the European Social Fund Plus (ESF+), with the obligation to earmark 5% of the ESF+ allocation to address child poverty by those Member States that had an above-average AROPE rate of children between 2017 and 2019. Based on the concluded Partnership Agreements, ESF+ support to address child poverty has been programmed altogether by 23 Member States reaching EUR 8.9 billion. This is above the required minimum under the ESF+. Funding is also available from the European Regional Development Fund and the Recovery and Resilience Facility (RRF), and via the Technical Support Instrument. Nevertheless, the Commission recognises the need to further support investment in children at all levels and urges the Member States to mobilise national and regional/local budgets to this end.

To address homelessness – the most extreme form of poverty and social exclusion – the Commission launched the ‘[European Platform on Combatting Homelessness’](https://ec.europa.eu/social/main.jsp?catId=1550&langId=en) (EPOCH). All stakeholders have committed to renewing their efforts in fighting homelessness, notably by reinforcing prevention and implementing integrated, housing-led approaches. Through supporting mutual learning for policy makers and practitioners, EPOCH will contribute to harnessing EU funding possibilities, strengthening evidence and monitoring on homelessness, disseminating and promoting good practices, and reviewing progress towards ending homelessness across the EU. This year the Commission will launch an EU-wide initiative to count people experiencing homelessness, through a Pilot Project proposed by the European Parliament.

The Commission will publish in the second quarter of 2023, a first report on access to essential services in the EU (Principle 20 European Pillar of Social Rights: the right to access essential services of good quality, including water, sanitation, transport, financial services and digital communications). The report will look at the state of play in access to essential services, at the most important barriers to access and at supporting measures available at EU and Member States level. The focus will be on people at risk of poverty and social exclusion and on affordability, while other groups and barriers (physical and digital accessibility, availability, lack of skills) will also be addressed.

The Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market (2016/C 67/01) provides the EU framework for combatting long-term unemployment. The recommendation envisages three steps: encouraging registration of long-term unemployed with an employment service; an individual in-depth assessment of the long-term unemployed to identify their needs and potentials; a concrete job-integration agreement at the very latest 18 months of unemployment with a tailor-made plan to bring the unemployed back to work including mentoring, job-search assistance, upskilling and social services. The Commission is monitoring the implementation of active labour market policies in Member States regularly through thematic reviews which also serves as a fora for exchanging best practices and lessons learned.

The Commission is also mobilising EU funding to support social inclusion, labour market activation and integration of marginalised communities. In particular, the ESF+, the RRF, the Technical Support Instrument (TSI) and the EU Programme for Employment and Social Innovation (EaSI) will continue to play a key role. In the 2021-2027 programming period, the ESF+ maintains a strong focus on social inclusion, earmarking a dedicated allocation of at least 25% of the shared management resources for social inclusion and at least 3% for addressing material deprivation. The national Recovery and Resilience Plans (RRPs) under the RRF include a broad range of reforms and investments to strengthen the effectiveness, quality and resilience of Member States’ social protection systems.

**Paragraph 5:** The Commission takes note of the call to include social considerations more effectively in the area of State aid and to widen the scope of the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014). The Commission recalls that social considerations are at the core of the State aid rules applicable to services of general economic interest (SGEI), given that SGEI have special characteristics as compared to other economic activities. In this respect, State aid for SGEI (for whose definition Member States have a wide margin of discretion) can be justified because these are services addressed to citizens or provided in the interest of society as a whole. The Commission published on 1 December 2022 a Staff Working Document (SWD(2022) 388 final) summarising the results of the evaluation of the EU State aid rules for SGEI applicable to health and social services, and to small amounts of aid. The evaluation concludes that, overall, the existing rules are fit for purpose. However, some adjustments may be needed to clarify and further simplify the existing rules to reduce red tape. The Commission is currently reflecting on how to address the issues identified in the context of the evaluation. Any future revision of the General Block Exemption Regulation will be the object of a public consultation, where all evidence submitted will be duly considered. In view of a future revision the Commission has started evaluating whether the regulation would have to be adapted in order to facilitate aid for social enterprises’ access to finance and aid for hiring disadvantaged or severely disadvantaged workers, as follow-up to its [action plan for the social economy](https://www.socialeconomy.eu.org/wp-content/uploads/2021/12/Building-an-economy-that-works-for-people-an-action-plan-for-the-social-economy.pdf) (European Parliament resolution of 6 July 2022 on the EU action plan for the social economy (2021/2179 (INI)).

**Paragraph 8:** Regarding parliamentary involvement and the social dimension of the European Semester, the Commission continue to keep the Parliament well informed on all issues related to the EU economic governance framework through the economic dialogue. The Commission is fully committed to take into consideration Parliament’s resolutions and positions. Greater transparency, ownership and accountability for the decisions taken under the framework of the European Semester is also ensured by regular exchanges and dialogues with the European Parliament that also allow the Commission to better understand and consider the Parliament´s views. The Commission presents the [Annual Sustainable Growth Survey (ASGS)](https://commission.europa.eu/business-economy-euro/economic-and-fiscal-policy-coordination/european-semester/european-semester-timeline/autumn-package_en) to the Parliament, as well as all other policy documents, including its proposal for a Joint Employment Report, opinions of the draft budgetary plans and its proposals for euro-area recommendations and country-specific recommendations. Moreover, the Executive Vice-President for an Economy that Works for People, the Commissioner for the Economy, and the Commissioner for Jobs and Social Rights regularly appear before the competent committees to inform on the Commission’s actions and exchange views with the members of the Parliament. The Commission intends to maintain this practice. It presented its orientations for a reform of the economic governance framework in November 2022 (COM(2022) 583 final), addressing the key economic and policy issues that will shape the EU's economic policy coordination and surveillance for the foreseeable future. The reform orientations recognise that both prudent fiscal strategies and investment and reforms that enhance sustainable growth are indispensable and mutually reinforcing in ensuring fiscal sustainability, while also making progress towards a green, digital, inclusive and resilient economy. The revised EU economic governance framework should tackle the prevailing challenges that will contribute to making Europe more resilient, by enabling strategic investment and reforms, and by reducing high public debt ratios in a realistic, gradual and sustained manner. Lessons learned from the set-up of the RRF have also informed the Commission’s orientations. Member States would be able to commit to a set of reforms and investment that help bring debt on a sustainable path and therefore could underpin a longer adjustment period and a more gradual adjustment path. This would be subject to common and transparent EU criteria such as responding to common EU economic and social priorities and targets, including the implementation of the European Pillar of Social Rights, and ensure that the fiscal-structural plan addresses all or a significant subset of relevant country-specific recommendations.

**Paragraph 9:** The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) was established on a temporary basis to mitigating the economic and social consequences of the COVID-19 crisis, where many economic and social activities temporarily ceased on account of the severe epidemiological situation. Of the maximum EUR 100 billion lending capacity, 98.4% was allocated and disbursed to 19 Member States. Financial assistance ceased to be available on 31 December 2022. The EU and the Member States have adopted a number of measures to counteract the sharp rise in energy prices, and so far, EU labour markets have been particularly resilient. The Commission continues to closely monitor the economic and labour market situation and stands ready to propose further measures would the situation require it. The Commission also considers that measures taken in response to the energy crisis need to be well-targeted to vulnerable households to be effective in preventing poverty, in particular energy poverty, while not adding to inflation, and preserving the sustainability of public finances. The Council Recommendation on Reinforcing the Youth Guarantee, adopted in 2020 (2020/C 372/01), has a strong focus on upskilling and access to education and training. One of its key elements is targeted and individualised support to young people, including by providing skills and competences that help them enter the labour market. As regards traineeships, the Commission will update in 2023 the Quality Framework for Traineeships to address issues, including fair remuneration and access to social protection.

**Paragraph 11:** The Commission is strongly committed to promoting social and environmental justice and will consider how to best incorporate these elements in future initiatives. The Commission agrees that a positive long-term impact on growth and quality job creation was an important element considered in the design of previous EU funding initiatives and will remain a priority in the future considerations to support EU industry and sovereignty. On 1 February 2023, the Commission adopted the Communication ‘A Green Deal Industrial Plan for the Net-Zero Age’ (COM(2023) 62 final), aiming to create a more supportive environment for scaling up the EU’s production capacity for net-zero technologies needed to meet Europe’s ambitious climate targets. With the Net-Zero Industry Act (COM(2023) 161 final), the Commission proposes a conducive regulatory environment to speed-up innovation and manufacturing in clean tech, including to enhance skills for quality job creation in net-zero technologies, such as the set-up of net zero industry academies. The Commission provided guidance for the REPowerEU chapters in the national RRPs to foster support for net-zero technologies. The third pillar of the EU Green Deal Industrial Plan is about skills, green and digital, at all levels and for all people. The EU is taking action to address skills related challenges posed by the twin green and digital transition through its overarching framework, the European Skills Agenda, which runs in synergy with the European Education Area. The European Pact for Skills supports 14 large-scale partnerships in European industrial ecosystems helping them to equip the workforce with the skills necessary for the twin transition. The Digital Education Action Plan, the Digital Decade and the 2022 Structured Dialogue for Digital Education and Skills have prepared the ground for speeding up actions in reforming education systems and the provision of basic and advanced digital skills. The recent Communication on harnessing talents in Europe’s regions (COM(2023) 32 final) supports policies to help acquire and develop the skills required for the green transition in all EU regions. The European Year of Skills is a further opportunity to develop the skills needed to thrive in a rapidly changing economy.

**Paragraphs 14 and 17:** The Commission has taken steps to strengthen the social dimension of the European Semester by integrating the 20 principles of the European Pillar of Social Rights and the accompanying Social Scoreboard into the policy coordination framework. The European Pillar of Social Rights Action Plan adopted in 2021 has further strengthened the role of the European Semester as key tool for monitoring and implementation of the Pillar, including by proposing new headline targets and a revised Social Scoreboard to track progress by Member States even better, notably through a set of headline indicators, including on key policy dimensions like adult learning, the labour market outcomes of persons with disabilities, the risk of poverty or social exclusion of children, and the housing cost overburden. The set of headline indicators ensure an accurate identification of key employment, skills, and social challenges in the EU and in the Member States and a closer monitoring of upward social convergence. The Commission welcomes the call in the resolution for an instrument to improve the monitoring of social convergence risks, preventing negative social spillover effects on upward social convergence and detecting potential setbacks for the proper implementation of the European Pillar of Social Rights. The Commission took note of the initiative launched in October 2021 by Belgium and Spain to further strengthen the social dimension of the European Semester. The integration of a possible framework to enhance social convergence in the European Semester is currently the subject of intensive discussions in the Employment Committee (EMCO) and the Social Protection Committee (SPC). The Commission welcomed the decision taken in September 2022 by EMCO and SPC to set up a working group to continue the reflection on this initiative, in light of the mandates received from the Council Presidency. The Commission is a member of the working group and recognises the value added of the initiative in strengthening the analysis, assessment and monitoring of employment and social developments in the Member States based on existing tools in the context of the European Semester. The Commission supports the ongoing work.

**Paragraph 15:** Well-functioning collective bargaining is an important means to ensure decent wages. The Commission’s Recommendation for a Council Recommendation on the economic policy of the euro area (COM(2022) 782 final) calls on euro area Member States to mitigate the loss in purchasing power of wage earners, in particular for low-income workers, to ensure the effective involvement of social partners in policy-making and to strengthen social dialogue. The recently adopted Directive on adequate minimum wages, that Member States should transpose into national legislation by 15 November 2024, contains several provisions on the promotion of collective bargaining on wages with the aim of increasing its coverage and facilitating the exercise of the right to collective bargaining on wage setting. Further, in January 2023, the Commission adopted a Communication (COM(2023) 40 final) and a proposal for a Council Recommendation to strengthen social dialogue and collective bargaining in the European Union (COM/2023/38 final). Social partners play an important role at different stages of the policymaking cycle and are involved at all key moments of the European Semester. Since 2012, the Commission organises annual consultation hearings to ask social partners for their views during the preparation of the Annual Sustainable Growth Survey (ASGS). The 2023 ASGS reiterates the Commission’s commitment to the systematic involvement of social partners in economic and employment policy coordination and implementation, including in all stages of the European Semester. The yearly Country Reports analyse challenges related to social dialogue and the involvement of the social partners in policy making, where relevant. Several country-specific recommendations (CSRs) address directly or indirectly challenges on social dialogue and social partners’ involvement. Progress on these recommendations is monitored by the Commission and is reviewed annually in a multilateral setting by the Employment Committee with the participation of the social partners.

**Paragraph 16:** In September 2022, the Commission adopted the Communication on better assessing the distributional impact of Member States’ policies (COM(2022) 494 final) with guidance on key elements of quality distributional impact assessments (DIAs), such as the choice of models, data, policy areas, output indicators and ways of disseminating results. This guidance supports convergence towards best practices in the Member States, making the various national approaches across countries more consistent, while acknowledging the importance of considering the specificities of national contexts. The Commission will continue supporting Member States as they strive to develop their DIA practices by facilitating technical assistance, organising mutual learning between Members States, maintaining and making available the microsimulation model EUROMOD as a key tool for DIA, using DIA analyses, including in the European Semester, as well as maintaining the dialogue on DIAs in the EPSCO (Employment, Social Policy, Health and Consumer Affairs) advisory committees.

**Paragraph 18:** With regard to the assessment of specific categories of expenditure and investment, the Commission notes that the RRF is designed to contribute to long-term socioeconomic objectives through coherent and ambitious sets of reforms and investments in the Member States. By focusing on six pillars laid out in its founding regulation, the RRF aims to strengthen the resilience of European economies and societies, promote sustainable growth and job creation, and foster innovation and the digital transformation. To ensure that the funds are used effectively to achieve these objectives, the Commission has notably developed a methodology for tracking social expenditure in the national RRPs, as part of broader efforts to ensure transparency in the allocation of funding. The Commission classifies relevant expenditure financed by the RRF into four social categories, namely on employment and skills, education and childcare, health and long-term care, and social policies. Almost 30% of the total estimated expenditure under the RRF falls under these categories. Tracking social expenditure contributes to ensuring that Member States make progress towards economic and social recovery and resilience. Socioeconomic objectives are also reflected in milestones and targets included in each RRP. To secure the disbursement of RRF funds, Member States must deliver on commitments enshrined in these milestones and targets.

When it comes to the measures to combat tax avoidance and tax fraud, the 2023 Annual Sustainable Growth Survey published in November 2022, highlights the importance of minimising aggressive tax planning and tax avoidance opportunities, and of an appropriate tax mix and effective revenue collection. The fight against aggressive tax planning practices is closely intertwined with efforts to enhance tax compliance. Spillover effects of taxpayers’ aggressive tax planning strategies among the Member States call for coordinated action on national policies to complement EU legislation. A number of Member States received CSRs on aggressive tax planning and on tax compliance in the years 2019-2022, and have taken measures or made commitments in their national RRPs to address these issues. The Commission supports cooperation and the fight against fraud on many different fronts including for example the ‘VAT in the Digital Age’ package and the proposal on preventing the misuse of shell entities (UNSHELL). Further proposals are planned for adoption in the coming months, including new legal provisions to enhance Eurofisc and its cooperation with other EU bodies such as the European Anti-Fraud Office (OLAF), the European Union Agency for Law Enforcement Cooperation (Europol) and the European Public Prosecutor's Office (EPPO) and the provision of technical support and finance assistance to implement EU tax law.

**Paragraphs 19 and 21:** The Directive (EU) 2022/2041 on adequate minimum wages in the EU is expected to contribute to reducing in-work poverty and wage inequality, while also sustaining domestic demand. In particular, Member States with statutory minimum wages are required to ensure timely updates of those wages, taking into account, among other criteria, their purchasing power, which is of particular importance in a context of consumer price inflation. The Commission welcomes that several Member States are already adopting measures to frontload the implementation of the directive in the context of the cost-of-living crisis. It will continue to work closely with Member States to support them with the transposition and implementation of the directive to ensure that workers, in particular low-wage earners, can benefit from its effects as soon as possible. The Commission is strongly committed to promoting decent wages. Moreover, the 2023 Euro Area Recommendation approved by the March 2023 European Council calls on euro area Member States to support wage developments that mitigate the loss in purchasing power of wage earners (in particular, for low-income workers), while reflecting medium-term productivity developments and limiting second-round effects on inflation.

The Commission is constantly reviewing the solid EU occupational safety and health (OSH) acquis to improve safety and health at work. In its Communication on the EU OSH Strategic Framework 2021-2027(COM/2021/323 final), a number of actions have been planned in this regard, such as the continuous update of the Carcinogens, Mutagens and Reprotoxic Substances Directive (Directive 2004/37/EC, last amended by Directive (EU) 2022/431[[1]](#footnote-1)), the revision of the Asbestos at Work Directive (Directive 2009/148/EC)[[2]](#footnote-2), the update of the Commission Recommendation 2003/670/EC on occupational diseases to include COVID-19[[3]](#footnote-3) or a review of the Workplace and Display Screen Directives (Council Directive 89/654/EEC; Council Directive 90/270/EEC)[[4]](#footnote-4).

**Paragraph 20:** The Commission considers the current EU public procurement Directives (Directive 2014/24/EU; Directive 2014/25/EU) fit to allow public authorities to favour companies which respect workers’ and social rights and ensure good working conditions for the staff. There are no upcoming plans to revise these directives. Their provisions require contracting authorities to ensure that social and labour law obligations stemming from legal provisions and collective agreements are complied with in the execution of public contracts (Article 18(2) of Directive 2014/24/EU). Under the current legal framework, a violation of these obligations can lead to an exclusion of the responsible economic operator from the competition for a public contract (Article 57(4)(a) of Directive 2014/24/EU). The directives also encourage contracting authorities to award contracts based on criteria, including qualitative, environmental or social aspects such as the quality of the organisation, qualification and experience of the staff, because these can affect the quality of the service and the value of the tender (Article 67 of Directive 2014/24/EU). To ensure these tools are applied appropriately and to encourage public authorities to apply socially responsible public procurement practices, the Commission has published [guidance on socially responsible procurement](https://ec.europa.eu/docsroom/documents/45767) as well as a set of best practice examples[[5]](#footnote-5).

**Paragraph 22:** To safeguard the health of the EU population, the Commission continues to work towards building a strong European Health Union through key initiatives such asthe Serious cross-border threats to health Regulation (Regulation (EU) 2022/2371), [Europe’s Beating Cancer Plan](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/promoting-our-european-way-life/european-health-union/cancer-plan-europe_en) and the [Pharmaceutical Strategy for Europe](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0761). The Commission is also working on a Communication on a comprehensive approach to mental health for later in 2023. More generally, it supports efforts of Member States to address inequalities in access to healthcare. This work, in line with the European Pillar of Social Rights Action Plan, focuses on vulnerable groups. Actions under the [EU4Health programme](https://health.ec.europa.eu/funding/eu4health-programme-2021-2027-vision-healthier-european-union_en) specifically support evidence and policies to improve financial protection in access to healthcare and mitigate the risk of poverty, ensuring that health benefits are distributed according to needs and not the capacity to pay for healthcare.

**Paragraphs 23 and 34:** The Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality encourages the Member States to review and, where applicable, adapt social protection systems, including social inclusion policies, in view of the employment, social and health challenges posed by the green transition. Moreover, it encourages Member States to mitigate adverse income and price developments by complementing investment measures and providing, where necessary, targeted and temporary direct income support, notably to people and households in vulnerable situations. In 2023, the Commission is engaging with the Member States on the implementation of this guidance. The Commission Communication “A Green Deal Industrial Plan for the Net-Zero Age” presented a comprehensive plan for supporting an accelerated and fair industrial transition to climate neutrality. The Commission proposal for a Net Zero Industry Act (COM(2023) 161 final) will contribute to enhancing skills for quality job creation in net-zero technologies (*please also see reply to paragraph 11*).

**Paragraph 25:** As regards the call to develop a more ambitious Better Regulation agenda, the Commission will work on how to better assess the cumulative impacts of different policy measures at the EU level with a view to develop a methodology as outlined in the Communication “Long-term competitiveness of the EU: looking beyond 2030”(COM(2023) 168 final). The ‘one-in, one-out’ approach, already aims at avoiding unnecessary burdens, where administrative costs, such as reporting obligations, certification or labelling are offset in the same policy area. This will be complemented by a new ‘competitiveness check’, which will ensure that the impact assessments of legislative proposals present the expected impacts on cost and price competitiveness, international competitiveness and the capacity to innovate, and also on small and medium sized enterprises competitiveness, all in an integrated manner. Furthermore, the Commission will make a fresh push to rationalise and simplify reporting requirements for companies and administrations with first proposals for the green, digital and economic thematic areas in the autumn, with the aim to reduce such burdens by 25%.

**Paragraph 26:** In its reply to the European Parliament and in accordance with the political commitment made by President von der Leyen in her Political Guidelines as regards resolutions adopted by the European Parliament under Article 225 of the treaty on the Functioning of the European Union (TFEU), the Commission committed to follow up with a legislative act, in full respect of the proportionality, subsidiarity and better law-making principles. The Commission invited social partners to find commonly agreed solutions to address the challenges raised by telework, digitalisation and the right to disconnect. The Commission welcomes the new work programme of EU cross-industry social partners for 2022-2024, and their ongoing negotiations on a new agreement on telework and the right to disconnect, intended to be put forward for adoption in the form of a legally binding agreement implemented via a directive. The Commission stands ready to support social partners in their endeavour, upon request and within its competence. The Commission also continues to explore the challenges, opportunities and potential evolution of telework and the right to disconnect, in the broader context of the future of work and the digitalisation of the world of work. To this end, a large-scale exploratory study is expected to be finalised during the first half of 2023.

**Paragraph 30:** As announced in the European Pillar of Social Rights Action Plan, the Commission evaluated the 2014 [Council Recommendation on a Quality Framework for Traineeships](https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32014H0327(01)), notably as regards working conditions The evaluation report was published on 10 January 2023 (SWD(2023) 9 final). As mentioned in the [Commission Work Programme 2023](https://commission.europa.eu/publications/2023-commission-work-programme-key-documents_en), the Commission will update the quality framework for traineeships to address issues including fair remuneration and access to social protection. To do so, the Commission will build on the evaluation findings as well as on the own-initiative legislative resolution of the Parliament on traineeships, expected later this year. The Commission is aware that early school leaving is a serious threat to European economy and society, and has been actively supporting Member States in their efforts to address this challenge. (*Please also refer to the reply under paragraph 9 further above.)*

Since the Europe 2020 strategy and its headline target on early school leaving, as well as the adoption of the Council recommendation on policies to reduce early school leaving (2011/C 191/01), this issue has been high on the EU policy agenda and continues to be a priority under the 2021-2025 European Education Area (EEA) strategic framework including an EU-level target to reduce to less than 9% the share of early leavers. Following an independent assessment and extensive consultations with Member States, a wide range of stakeholders, researchers and citizens, the Commission submitted in June 2022 a proposal for a new Council Recommendation on “Pathways to School Success” (COM/2022/316 final), adopted by the Council on 28 November 2022 (2022/C 469/01). The new Recommendation aims at ensuring better educational outcomes for all learners, irrespective of their personal situation and background. It aims at lifting the performance in basic skills and reducing early leaving from education and training, while looking at both educational achievement and attainment and well-being at school. The Commission supports this process through a number of actions, including continuous monitoring and reporting, peer learning, cooperation and exchanges of information. The 2021-2025 EEA strategic framework working groups are part of a structured cooperation and mutual learning between Member States, stakeholders (including civil society), experts and international organisations on EEA priorities. The working groups have been the backbone for exchange and peer learning on topics including inequality and early school leaving, education for environmental sustainability, skills for the green transition, digital education and promoting gender equality in education. EU funding, including from Erasmus+, will also be available.

**Paragraphs 31 and 32:** The Commission has presented a number of legislative proposals and is implementing several non-legislative actions, including as part of the [Digital Decade](https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade#:~:text=The%20Digital%20Decade%20policy%20programme%202030%20sets%20up%20a%20monitoring,indicators%2C%20in%20an%20implementing%20act.), to foster the digitalisation of European society and its labour market, which should prioritise quality jobs and working conditions, and respect European values. On 18 April 2023, the Commission presented a package on digital education and skills, including two proposals for Council recommendations, on enabling factors for successful digital education(COM(2023) 205 final) and on improving the provision of digital skills in education and training, including VET and adult learning (COM(2023) 206 final). Тhe Commission thus wants to make a key contribution to reaching the Digital Decade targets on digital skills. The [European Year of Skills](https://year-of-skills.europa.eu/index_en) will also have a particular focus on digital skills. The Commission has presented in the [European Skills Agenda](https://ec.europa.eu/social/main.jsp?catId=1223&langId=en) several action lines to support up- and reskilling to harness the digital and green transitions.

1. The Commission’s proposal for a Directive amending Council Directive 98/24/EC and Directive 2004/37/EC as regards the limit values for lead and its inorganic compounds and diisocyanates (COM(2023) 71 final) is currently under discussion in the Council and the European Parliament [↑](#footnote-ref-1)
2. Proposal for a directive of the European Parliament and of the Council amending Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos at work (COM(2022) 489 final, of 28.09.2022) [↑](#footnote-ref-2)
3. Completed with the adoption of Commission Recommendation (EU) 2022/2337 of 28 November 2022 concerning the European schedule of occupational diseases, which includes COVID-19 [↑](#footnote-ref-3)
4. The final report of a study by an external contractor has been completed and the tripartite Advisory Committee on Safety and Health at Work (ACSH) will prepare an opinion [↑](#footnote-ref-4)
5. [Making socially responsible procurement work - 71 good practice cases (europa.eu)](https://commission.europa.eu/funding-tenders/tools-public-buyers/social-procurement/making-socially-responsible-procurement-work-71-good-practice-cases_en) [↑](#footnote-ref-5)