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TEXTS ADOPTED

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European Semester for economic policy coordination: Employment and social priorities for 2023

European Parliament resolution of 15 March 2023 on the European Semester for economic policy coordination: Employment and social priorities for 2023 (2022/2151(INI))

The European Parliament,

– having regard to Article 3 of the Treaty on European Union,

– having regard to Articles 9 and 149 of the Treaty on the Functioning of the European Union,

– having regard to the Commission communication of 22 November 2022 on the Annual Sustainable Growth Survey 2023 (COM(2022)0780),

– having regard to the Commission proposal of 22 November 2022 for a Joint Employment Report from the Commission and the Council (COM(2022)0783),

– having regard to the Commission recommendation of 22 November 2022 for a Council recommendation on the economic policy of the euro area (COM(2022)0782),

– having regard to the Commission report of 22 November 2022 entitled ‘Alert Mechanism Report 2023’ (COM(2022)0781),

– having regard to the Commission communication of 22 November 2022 on the 2023 Draft Budgetary Plans: Overall Assessment (COM(2022)0900),

– having regard to the European Pillar of Social Rights (EPSR), proclaimed by the Council, Parliament and the Commission in November 2017,

– having regard to the Commission communication of 9 November 2022 on orientations for a reform of the EU economic governance framework (COM(2022)0583),

- having regard to European Labour Authority Report of November 2021 on Labour Shortages and Surpluses,

– having regard to Rule 54 of its Rules of Procedure,

– having regard to the report of the Committee on Employment and Social Affairs (A9-0051/2023),

A. whereas the joint employment report for 2023 strengthens the focus on the implementation of the UN Sustainable Development Goals (SDGs), the European Green Deal objectives, and the EPSR, in line with the commitments of the EPSR Action Plan of March 2021 and with the Porto Declaration by EU Leaders of 8 May 2021; whereas its implementation should strengthen the Union's drive towards a green, digital and just transition and contribute to achieving upward social and economic convergence; whereas many Commission assessments of the European Semester suggest compliance with its recommendations has been low, in part because of its limited enforceability, including in the case of social policy matters;

B. whereas a Eurofound survey[1] shows that cost of living challenges continue to be reported in all EU Member States, with 48 % respondent struggling to make ends meet; whereas Russia's war of aggression against Ukraine has caused humanitarian, energy and economic crises in the EU and exacerbated existing inequalities; whereas actions under the EPSR would help create quality employment opportunities and fair social protection systems, which are key to enhancing future resilience;

C. whereas while the EU unemployment rate remained stable at 6 % in August 2022, EU companies are struggling to find employees with required skills; whereas the availability of skilled staff and experienced managers is the most important problem for a quarter of the EU's small and medium-sized enterprises (SMEs), which in turn account for 99 % of all EU businesses[2];

D. whereas a Eurobarometer survey has shown that social inequalities are the most serious concern of people in the EU and these inequalities have been aggravated by the social and economic consequences of the COVID-19 pandemic as well as other structural problems; whereas large income inequalities can have damaging effects on economic growth and undermine social cohesion; whereas the spiralling cost of living and skyrocketing inflation, fuelled by huge increases in the price of energy, fuel, food and essential goods throughout Europe are creating an economic and social crisis; whereas even before the pandemic, 78 % of people in the EU wanted their national governments to do more to reduce income

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1 Eurofound, *The cost-of-living crisis and energy poverty in the EU: Social impact and policy responses – Background paper*, 2022.
2 Eurostat, Key Figures on European Businesses, 2022 Edition, p. 10.

inequalities[1]; whereas the upcoming review of the economic governance framework represents a unique opportunity to support social investment;

E. whereas poverty, including in-work poverty, remains a challenge for many Member States; whereas workers on temporary contracts face a much higher risk of in-work poverty than those on permanent contracts; whereas in-work poverty rose from 8,5 % in 2010 to 9 % in 2019 in the EU but remained stable between 2020 and 2021 due to the swift policy intervention during the pandemic; whereas in-work poverty has to be closely monitored, especially in the light of the recent negative impact of inflation on real wages; whereas real wage levels are still below the crisis-year 2009 level in many Member States; whereas low-income workers and vulnerable groups are being hit the hardest, but middle-class living standards are deteriorating rapidly too;

F. whereas for people in employment the risk of poverty or social exclusion in the EU was 11,1 % in 2021; whereas more than 8 % of people continue to devote over 40 % of their disposable income to housing, and little progress has been made in reducing the number of homeless people across EU Member States; whereas social protection systems are under severe pressure to mitigate the social impact of the crisis and ensure decent living conditions for all as well as access to essential services such as health, education and housing; whereas social services in some Member States remain unevenly and unequally developed across the EU, facing underfinancing and a lack of quality standards;

G. whereas climate change and environmental destruction have exacerbated inequalities as they disproportionately affect the poor and the most vulnerable groups; whereas a green deal focused on investments to make the transition to a decarbonised, climate-neutral economy, has to go hand in hand with investing in the people who cannot afford the change; whereas it is necessary to ensure a sustainable future for all;

H. whereas, according to the latest Intergovernmental Panel on Climate Change (IPCC) report, climate change, global warming and loss of biodiversity are accelerating exponentially, as illustrated by recent dramatic and extreme weather events across the globe; whereas people in Europe are feeling the effects of climate breakdown and extreme weather events driven by climate change ever more intensely; whereas the 2030 decarbonisation targets have been raised to reach carbon-neutrality by 2050; whereas stepping up mitigation and adaptation efforts is leading to a profound

1 Social Europe: Eurobarometer survey shows Europeans support stronger social policies and more social spending.

transformation of European and national economies and labour markets;

I. whereas high inflation across the EU, with rapid increases in energy and food prices, is placing a burden on households and SMEs, hitting the most vulnerable people on the lowest incomes hardest; whereas energy-market conditions and rapid price increases are exacerbating energy poverty, to which more than 50 million of people in the EU were already exposed in 2019, before the onset of the pandemic; whereas the European Central Bank (ECB) projects that inflation will remain high in 2023 (above its 2 % target) and is set to continue raising interest rates over the coming months; whereas the cost of living crisis and distortions in the housing market, such as increased financialisation, have negative implications for the affordability of housing, with the risk of further increasing homelessness;

J. whereas the EU requires an industrial strategy that makes its industrial base more resilient, socially effective and environmentally sustainable; whereas a socially just transition and the future of industry requires massive public investment; whereas such a strategy is crucial to ensure respect for climate objectives, notably the Paris agreement; whereas the EU industrial strategy must go hand in hand with a labour strategy; whereas any fair and sustainable production model should place workers and trade unions, as well as workers' interests and longstanding expertise, at the very core of its development to ensure its democratic functioning;

K. whereas, if well regulated, the new digital economy, including artificial intelligence (AI), has the potential to benefit society as a whole by improving quality of life and working conditions and both preserving employment and creating new quality employment opportunities, while fostering prosperity and facilitating the transition to a more sustainable, robust and resilient economy;

L. whereas according to Eurofound, 20 % of jobs in Europe were of 'poor quality' in 2017, putting the physical or mental health of workers at increased risk; whereas according to the OECD, financial uncertainty and job insecurity are risk factors associated with poor mental health; whereas investing in long-term quality jobs is key to combating poor mental health among workers;

M. whereas the COVID-19 pandemic highlighted the need for increased vigilance and investment in all Member States to ensure that they are adequately prepared to deal with future health crises and are also able to preserve the quality of care for all other illnesses and conditions; whereas particular attention has to be devoted to the needs of vulnerable groups;

N. whereas gender equality and gender mainstreaming should be at the core of the 2023 annual sustainable growth strategy;

O. whereas skilled workers, education, training and lifelong learning are of key importance to ensure the sustainable and just transition of the European economy; whereas upskilling, reskilling and training programmes must be available for all workers, including those with disabilities, and should also be adapted to the needs and capacities of workers;

P. whereas workers have the right to a high level of protection of their health and safety, with an accessible work place and environment that lives up to and contributes to the implementation of the European Pillar of Social Rights and Occupational Safety and Health standards;

1. Highlights the fact that the swift and coordinated EU policy action during the COVID-19 pandemic mitigated economic shocks and protected the population from the most adverse consequences of the crisis; believes that, although the fallout from Russia's war of aggression against Ukraine poses multiple new economic, social and geopolitical challenges to the EU economy and society, other longer-standing social challenges, such as poverty, social exclusion, climate and biodiversity emergencies and inequalities continue to grow and must also be tackled;

2. Endorses the Commission's and the Member States' ambition to coordinate EU policy responses more closely to mitigate the near-term burden of high energy and food prices, inflation, supply-chain disruptions, including shortages of medicines, rising debt levels and the increased cost of borrowing, including mortgages, for European households and businesses, especially SMEs and entrepreneurs; insists that the European Union needs an energy model that ensures universal access to decarbonised sources of energy and that puts an end to energy poverty; highlights the fact that social investment is essential to allow for sustainable development in the medium and long term and that national welfare systems have an essential stabilisation function; highlights the need for a EU Sovereignty Fund in order to ensure, amongst others, that all Member States have flexibility to tackle the social, climate, and environmental challenges;

3. Stresses that some of the aims of sustainable economic growth must be to ensure an inclusive socio-ecological transformation of our economies, preventing social, economic and environmental imbalances by fighting poverty, reducing inequalities and creating decent jobs with adequate wages and working conditions, while ensuring alignment with the SDGs and the EPSR;

4. Is concerned that 21,7 % of the EU population is at risk of poverty or social exclusion, with women and young adults more likely to be at risk; notes that the headline target of reducing poverty by 15 million people will not be reached without addressing the most vulnerable; calls on the European Commission and the Member States to develop targeted ways of supporting the long-term unemployed and

homeless, as well as persons facing multiple barriers and forms of discrimination; stresses that adequate minimum incomes are needed to lift people out of poverty; underlines that homelessness is one of the most extreme forms of social exclusion and that the European Platform on Combatting Homelessness is an essential tool with the ultimate objective of ending homelessness by 2030; calls on the Commission and the Member States to adopt ambitious national strategies, with adequate national and EU funding, based on the housing first principle to promote the prevention of homelessness and provide access to adequate, safe and affordable housing for all; stresses that the cost-of-living crisis makes implementing the European Child Guarantee, the Reinforced Youth Guarantee and the EU Disability Rights Strategy at national level even more important; calls on the Commission to be more active in combating poverty, especially child poverty and in-work poverty; calls on the Commission to strive for detailed monitoring of the implementation of the Child Guarantee in all Member States;

5. Stresses that quality and well-funded public services, including social services, contribute to core democratic values such as respect for fundamental and human rights and play a crucial role in overcoming crises; warns that vulnerable people with no or limited access to targeted social services also suffer a negative impact on their access to other important public services, such as healthcare or training; calls on the Commission to consider the possibility of a revision of the EU Quality Framework for services of general economic interest to support Member States' efforts to improve access to good-quality essential services, particularly housing, energy, transport, water, sanitation, financial services and digital communications; calls on the European Commission to include social considerations more effectively in the area of State aid and to widen the scope of the General Block Exemption Regulation in its next revision in order to contribute to better access to and quality of essential goods and services;

6. Underlines the need of the country-specific recommendations (CSRs) in the European Semester to invest in adequate disability allowance that is compatible with other forms of income, to reduce the risk of poverty faced by persons with disabilities;

7. Believes that gender equality policies must be anchored and mainstreamed in all phases of economic governance; stresses the need to ensure gender equality, non-discrimination and social equality in employment relationships; calls on the Commission and the Member States to address the feminisation of poverty in all its forms, particularly by improving working conditions in feminised sectors; calls for the strengthening of gender-sensitive policies at the EU level, essential to ensure that the impact of the cost of living crisis does not widen gender inequality;

8. Calls for a more democratic European Semester process, with Parliament closely involved in setting macroeconomic and social policy priorities, in particular; considers that a revised European Semester process should follow the ordinary legislative procedure and so be agreed between the Council and Parliament; calls on the Commission to develop an economic governance architecture in the EU based on solidarity, integration, social justice and convergence, gender equality, high-quality public services, including a quality public education system for all, quality employment and sustainable development;

9. Is concerned about the serious social and employment effects of the current crisis, especially for young people; calls on the Member States and the Commission to make sure that every young person in Europe has access to education, training and paid traineeships as well as to the labour market; calls on the Member States and the Commission to prioritise the fight against unemployment; calls therefore on the Commission and the Member States to reinforce the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) to support short-time work schemes, workers' income and workers that would be temporarily laid off because of the increase in energy prices, amongst other causes, as well as to mitigate the effects of asymmetric shocks;

10. Supports a shift towards a sustainable, inclusive and resilient growth model that supports upward social convergence and strengthens the sustainable development and resilience of the EU's economy and societies; welcomes the progress made this year toward the full implementation of the EPSR but is still waiting to see full implementation, including of its relevant headline targets for 2030, a social progress protocol and the promotion of future-oriented investments focused on the just green and digital transitions, with a strong social dimension, including gender equality;

11. Calls on the Commission and the Member States to ensure that future EU funding initiatives to support industry and sovereignty ensure long-term, sustainable growth as well as social progress; considers it essential that the following relevant aspects be integrated in any future funding instruments:

   – social justice as a guiding principle in order to make the EU more resilient to growing threats to health and well-being,

   – a strong focus on workers, such that investments should create good-quality jobs to lift up the low and middle classes and bring tangible benefits to workers and communities that are often overlooked and left behind,

   – environmental justice to ensure a fair distribution of the projects so as to benefit disadvantaged communities that are disproportionately impacted by underinvestment in critical infrastructure, pollution and climate change;

12. Takes note of the revised European Semester process, with a broader scope and enhanced multilateral surveillance in order to ensure sustainability and key investments while ensuring fiscal stability and taking into account reforms and investments through the national Recovery and Resilience Plans (NRRPs), Europe’s clean energy transition through REPowerEU and the UN SDGs; considers that European fiscal rules should allow for the necessary public investment and financing of the just transition to a zero carbon economy as well as for the proper implementation of the principles of the EPSR; stresses that although there is a need to reduce public debt within a reasonable time frame, smaller or more indebted Member States need more flexible individual adjustment paths that allow them enough fiscal space to undertake the investments and reforms needed for socially fair green and digital transitions in a way that leaves no one behind; reminds the Member States of their commitment to undertake reforms and make investments that contribute to the EU’s economic, social and territorial cohesion and sustainable and inclusive growth, mitigate the social and economic impact of the crisis, in particular on vulnerable groups, as well as contribute to the implementation of the EPSR through their NRRPs; highlights their commitment to pursuing this implementation further at EU and national levels in order to reduce inequalities, defend decent wages, fight social exclusion and poverty, while taking on the objective of fighting child poverty and addressing the risks of social exclusion, so as to foster upward economic and social convergence and high-quality job creation;

13. Recalls that the European Semester should further integrate the principles of the EPSR, including principle No 11 on childcare and support to children; highlights that the availability of free and quality services such as early childhood education and care, education, health, as well as access to adequate housing and healthy nutrition are necessary conditions for ensuring equal opportunities and fighting poverty and social exclusion; notes that addressing child poverty requires appropriately funded, comprehensive and integrated measures, together with the implementation of the European Child Guarantee at national level; reiterates its call for an increase in the funding of the European Child Guarantee with a dedicated budget of at least 20 billion euro and for Member States to allocate at least 5 % of their allocated ESF+ funds to fighting child poverty and promoting children’s well-being;

14. Highlights the need to strengthen the social dimension of the European Semester and the implementation of the European Pillar of Social Rights, especially in the light of the economic governance review and the upcoming deactivation of the escape clause; calls on the Commission to consider presenting an instrument for a social convergence framework, to monitor social convergence risks,

prevent other policy actions or economic shocks from having negative social spillover effects on upward social convergence, detect potential setbacks for the proper implementation of the EPSR and establish social targets; believes that social-divergence risks should be included in the CSRs and taken into account when defining fiscal adjustment paths;

15. Highlights the need for public and private investment to enhance quality job creation and support SMEs; underlines the importance of developing the right skills and qualifications in the workforce to keep up with the demand for skilled workers during the green and digital transitions; continues to support the Commission in its efforts to improve working conditions and the protection of European employers and workers by fostering and encouraging social dialogue processes and collective bargaining coverage; welcomes the Commission’s inclusion of social dialogue and collective bargaining provisions in the 2020-2021 CSRs; regrets that while social dialogue was included in 15 CSRs in 2020, it only appears in 2 CSRs in 2022; urges the Commission to promote collective bargaining, democracy at work, and social dialogue through the European Semester, and specifically in the CSRs, in order to ensure decent wages through collective bargaining;

16. Stresses the importance of better assessing the distributional impact of existing and new policies and reforms monitored through the European Semester process; calls on the Commission to set up distributional impact assessment requirements for national reform programmes (NRPs); points out that fiscal consolidation can only be fair and sustainable if the distributional impact of reallocated expenditure or shifts in revenues is well calibrated and contributes to reducing social, economic and regional inequalities; calls on the Commission to propose a methodology and clear goals in terms of the creation of quality jobs; reminds Member States of the requirements to include in the NRPs an explanation of how the measures are expected to contribute to gender equality and equal opportunities for all and the mainstreaming of those objectives;

17. Considers that the revised social scoreboard may not adequately cover the 20 EPSR principles; calls, therefore, for the Commission to consider a further revision and enhancement of the social scoreboard, with the inclusion of relevant indicators, for instance relating to social well-being, and disaggregation of data by various factors, such as gender, age, and income, so as to identify social divergences and the impact of policies on various groups, particularly those in vulnerable situations, through a dynamic assessment; draws attention to the importance of including indicators that fully reflect the trends in and causes of inequality, such as indicators on equal opportunities, good-quality employment, wealth distribution, universal access to good-quality public services including energy, water and sanitation, adequate pensions, the homelessness rate, minimum income schemes, occupational diseases

(including mental health conditions) and unemployment benefits, as well as indicators measuring the social impact of environmental degradation and climate change; reminds the Commission that the ‘at risk of poverty or social exclusion’ (AROPE) indicator does not capture the wider and more complex causes of inequalities;

18. Takes note of the Commission communication setting out orientations for the revision of the economic governance framework to strengthen debt sustainability and enhance sustainable and inclusive growth through investment and reforms; calls on the Commission to assess which expenditure and investment are necessary to achieve socio-economic long-term objectives and required to comply with NRRP milestones; believes that tax systems should be designed in a way that reduces inequalities, promotes fairness and protects households, and should be balanced in order to make systems fairer and more efficient; calls on the Commission and the Member States to take effective measures to combat tax avoidance and tax fraud as an important means of reducing economic inequalities and improving the collection of tax revenue in the Member States; recalls that an effective minimum tax rate for large multinationals within the European Union can contribute to tackling the issue of tax dumping and ensure that all corporations pay their fair share of tax on profits generated by their activities in the EU;

19. Is concerned about the current economic landscape, near-term forecasts and impact that wage increases below inflation could have on living standards in the EU; considers that raising purchasing power is one of the ways to ensure further economic recovery, but that in general wage growth will not keep pace with inflation over the year ahead, such that workers will lose purchasing power; recalls that decent wages are an essential tool in helping households keep up with rising energy prices; calls on the Member States to fight competitive practices based on low wages and poor working conditions, and to rapidly implement the provisions established in the Minimum Wages Directive[1], so that, as recommended, minimum wages are increased to at least 60 % of a country’s gross median salary or 50 % of the gross average; calls on the Commission to work to improve living conditions and to monitor the situation of minimum wages and ensure that low-end salaries, and particularly minimum wages, reflect the soaring cost of living; calls on the Member States to ensure adequate minimum wages, with the aim of achieving a decent standard of living, reducing in-work poverty and promoting social cohesion and upward social convergence, while reducing the gender pay gap; stresses that, in order to expand the share of households in the middle-income bracket, these efforts should be

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[1] Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022, p. 33).

combined with policies broadening the coverage of collective bargaining and boosting trade union membership rates;

20. Calls on the Commission to assess the possible revision of the European public procurement directive in order to strengthen collective bargaining coverage by requiring companies to comply with collective bargaining agreements, including strengthening the social clause, and to favour companies that respect labour and social rights, excluding from tenders those companies which have been sanctioned for having engaged in union-busting practices;

21. Calls on the Commission and the Member States to ensure decent wages and quality jobs, as well as decent working conditions and to promote both good physical and mental health, not least through safety at work; recalls in this context the importance of work-life balance and the right to disconnect, especially now that the borders between professional and private environments are becoming increasingly blurred with the development of teleworking; welcomes the agreement between Council and Parliament on the pay transparency directive[1] and calls for its swift implementation; calls on Member States to assess work of equal value in accordance with objective gender-neutral criteria;

22. Welcomes the agreement on the adoption of the Social Climate Fund as an ambitious start to address the impact that the extension of emissions trading to the building and road transport sectors will have on vulnerable households, transport users and microenterprises; underlines that the general objective is to contribute to a just transition towards climate neutrality that leaves no one behind; calls for more tools to address the unequal impact of climate change and environmental degradation on different income groups as well as the social consequences of the transformation of our societies towards climate neutrality; highlights the urgency of adopting instruments that enable all parts of society to enjoy the benefits of a climate-neutral economy, and that protect households, vulnerable transport users and microenterprises from the impact of both climate change and pollution; insists that social and environmental policies and objectives must be integrated on an equal footing with economic ones; in this regard, is convinced that the Stability and Growth Pact is outdated and does not offer either the flexibility or the architecture necessary to put in place a new framework for the governance of sustainable development and social progress in the EU; calls on the Commission to safeguard the right to health and to a healthy environment at EU level, as this right is

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[1] Proposal for a Directive 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 (COM(2021)0093).

essential to ensuring the fulfilment of most other fundamental rights as well as to achieving an inclusive transition;

23. Calls on the Commission and the Member States to build upon the Social Climate Fund and lay the foundations for the development of green social protection schemes at national level with EU support, in order to strengthen social resilience against the impacts of climate change and environmental degradation by addressing the side effects of green policies on jobs and living conditions and to make sure the communities affected are fully prepared for a new labour market; points out that the following aspects could be considered for these schemes:

    (a) social health protection for people affected by events associated with climate change;

    (b) unemployment protection complemented by active labour policies for workers who lose working hours or their jobs owing to extreme climate conditions or related events, or who are laid off as a result of the closure of carbon-intensive industries;

    (c) public works programmes that provide cash or in-kind support and contribute to rehabilitating assets and infrastructure while enhancing workers' skills and employability and making sure they have the tools to integrate in local or in new labour markets;

    (d) social assistance benefits for people affected by climate shocks, supporting their income and food security;

    (e) employment guarantee schemes and training or professional reorientation that create new opportunities for workers and communities that can no longer earn their livelihood through their previous activities owing to environmental protection measures and to ensure they can still be included in the labour market;

    (f) skill development and anticipation strategies with the objectives of improving generic, sectoral and occupation-specific skills for the green economy;

    (g) funding schemes to support households in energy efficiency renovations in order to tackle energy poverty;

24. Stresses that support for SMEs, including reducing unnecessary administrative burdens, is essential in order to ensure they can fully adapt their activities to the green transition and retain their workforce, especially in the case of start-ups, while safeguarding the highest levels of protection for workers and the environment, and helping European employers invest in sustainable growth and quality job creation;

25. Highlights the regulatory burden on EU employers and its possible negative impact on competitiveness, growth and quality job creation; continues to support the ‘one in, one out’ principle and calls on the Commission to develop a more ambitious Better Regulation agenda, which should lead to a reduced regulatory burden for EU employers;

26. Calls on the Commission to propose a directive to regulate teleworking conditions across the EU and ensure decent working and employment conditions in the digital economy; considers that the right to disconnect is essential to ensuring the mental well-being of employees and the self-employed, not least for female workers and workers in non-standard forms of work, and should be complemented by a directive on psychosocial risks and well-being at work; calls on the Commission to propose, in consultation with the social partners, a directive on minimum standards and conditions to ensure that all workers are able to effectively exercise their right to disconnect; highlights that the Commission’s upcoming initiative on ‘a comprehensive approach to mental health’ to be published in June is a good opportunity to launch these directives;

27. Highlights that, with the working-age population shrinking, policies that bring more people into the labour market are essential; believes that the integration of migrants into the labour market will have a positive impact on the labour supply, reduce labour shortages and support higher employment rates[1]; notes, however, that migrant workers continue to experience unequal treatment and labour exploitation; stresses that all migrant workers must be protected against exploitation, including, by guaranteeing their effective access to justice and redress; considers that this has to be combined with other policies that enable healthier working lives, improve working conditions, and better adapt labour markets to workers’ changing needs over their lifetimes;

28. Calls for better inclusion of vulnerable groups in the European Semester, the implementation of measures supporting youth and senior employment, and better opportunities for people with disabilities as well as for efficient tools to prevent discrimination; stresses the importance of measures to integrate third-country nationals including language learning as it is the basis for communication in all areas of business operation, enabling participation in vocational training and retraining to develop relevant competences;

29. Stresses that employers need to foster intergenerational links within the company and intergenerational learning between the young and old, and vice versa; underlines that an older workforce can help a business develop new products and services to adapt to the needs of

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1 https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migrant_integration_statistics

an ageing society in a more creative and productive way; calls on the Commission and the Member States to create incentives to encourage the transfer of knowledge between generations and for specific measures facilitating youth employment and pre-retirement transition; calls on the Commission and the Member States to take the possible impacts on young people into account in the assessments of policies, in consultation with youth organisations;

30. Is concerned about the high number of early school leavers, as they are at risk of becoming unemployed and fuelling the cycle of generational poverty given that, in 2021, 11,4 % of young men and 7,9 % of young women in the EU left education or training early; calls on the Commission to coordinate, together with Member States, civil society and relevant stakeholders, the implementation of appropriate solutions to keep children and young people in school; calls on the Member States to ensure access for young people to paid, quality and inclusive traineeships and apprenticeships; insists that young people receive adequate and quality first working experiences, opportunities for upskilling and new qualifications or credentials; condemns the practice of unpaid traineeships as a form of exploitation of young workers, and a violation of their rights, and calls on the Commission and the Member States, in collaboration with Parliament, and respecting the principle of subsidiarity, to put an end to unpaid traineeships and propose a common legal framework to ensure fair remuneration for traineeships and apprenticeships in order to avoid exploitative practices; condemns the practice of zero-hour contracts and calls on the Member States to provide support to employers providing traineeships and apprenticeships to young persons with disabilities; calls on the Commission to review existing European instruments such as the Quality Framework for Traineeships and the European Framework for Quality and Effective Apprenticeships and to include quality criteria for the offers made to young people, including the principle of fair remuneration for trainees and interns, access to social protection, sustainable employment and social rights;

31. Is concerned about the discrepancies between the analysis and recommendations of the European Centre for the Development of Vocational Training (Cedefop) on skills policy and the policies implemented at EU and national levels, which might be causing inefficiencies; draws attention to the evidence laid out in Cedefop reports on skills underutilisation, over-qualification, low skills demand and limited complexity in many European jobs and the relatively modest level of digital skills demands in Europe, which could hinder the digital transition and impact Europe’s competitiveness; calls on the Commission to present proposals and coordinate policy actions that contribute to increasing the number of more digitally complex jobs and facilitate the design of incentives that boost the digital upskilling of workers; including training and lifelong education; highlights that such initiatives should also target vulnerable groups and minorities to facilitate access to the labour

market to all given that 45 % of the EU workforce believe that they need new knowledge and skills because of the new digital technologies in their workplace;

32. Recalls that the creation of good-quality jobs and implementation of retention strategies are the best way to attract a skilled workforce and incentivise employers to invest in their worker; highlights that Cedefop's reports stress that recruitment difficulties (including those owing to skills mismatches) also reflect to a considerable extent poor job quality, a lack of people-oriented human resources policy and untapped job design opportunities; calls on the Commission to contribute to address competency gaps that exist in Europe and to revise its upskilling and reskilling policies in the light of Cedefop's findings; highlights the acute need for more support towards lifelong training and professional reorientation in line with the 2030 target of at least 60 % of all adults taking training every year;

33. Stresses that anticipating the labour market leads to more resilient economies, which require active labour market policies, including upskilling and reskilling, as well as strong social protection systems; is concerned about the reported labour shortages in many occupations, in particular those related to science, technology, engineering and mathematics (STEM) qualifications, education and healthcare; stresses the need to improve their working conditions, which would also help to reduce labour market shortages as well as the need to strengthen EU education programmes, supporting employees and teachers' efforts to train the right skills;

34. Calls for the EU green industrial strategy to ensure that the jobs of tomorrow are not only green, but above all decent, well paid and based on good working conditions, with health and safety at work, robust social protection and gender equality; calls also for it to ensure that people are adequately remunerated in line with their qualifications and certified competences; stresses the need to ensure a level playing field to foster social and economic convergence as well as to prevent a widening gap in public investment and support due to the different fiscal capacities of Member States; calls on the Member states to make good use of the Just Transition Fund, and other relevant EU funds and platforms, in order to ensure that the jobs that are being phased-out as a result of the green transition are replaced by quality jobs in the same areas; highlights in this sense the potential of the circular economy as well as the role that public procurement processes should play to promote collective bargaining and good working conditions; stresses that an EU green industrial policy can become one of the main sources of job creation in Europe in the coming years, in both emerging and traditional sectors, reflecting the fact that sustainable economic activities are more labour-intensive than the activities they replace; calls on the Commission and the Member States to make sure that the EU industrial plan achieves a just transition and objectives including the creation of quality jobs with fair working conditions and good pay,

promotion of collective bargaining and adherence to collective agreements;

35. Recalls the crucial role played by European, national and sectoral social partners in the anticipation of change; highlights the need to closely inform and consult trade unions and workers' representatives in decision-making processes, in order to ensure just transitions; calls on Member States to consult social partners during the design and implementation of national plans (national reform programmes, stability/convergence plans or national recovery and resilience plans); stresses the critical role of collective bargaining to ensure the highest occupational health and safety standards, relevant skills developments and strategic anticipation of change; stresses that European and international human rights guarantee that all workers have the right to organise, form and join a trade union, engage in collective bargaining, take collective action to defend their rights and enjoy protection under collective agreements; calls on the Member States to remove any national legislation that hampers collective bargaining, including by ensuring trade unions' access to workplaces for the purpose of organising, information sharing and consultation, so as to strengthen workers' representation;

36. Instructs its President to forward this resolution to the Council and the Commission.