Brussels, 10 July

BACKGROUND NOTE

A DEDICATED HEARING WITH SOCIAL PARTNERS ON THE ACTION PLANS TO IMPLEMENT THE EUROPEAN PILLAR OF SOCIAL RIGHTS

Context

The <u>European Pillar of Social Rights</u> and its 2021 <u>Action Plan</u> have strengthened Europe's social market economy. They have provided a stable foundation during the Covid-19 pandemic as well as the energy and cost-of-living crises intensified by the Russian war of aggression against Ukraine. Moreover, the strong commitment by EU leaders at the Porto Social Summit in May 2021 to deepen the implementation of the Pillar have strengthened the employment and social dimensions at the heart of the EU political agenda.

The <u>political guidelines for 2024-2029</u> announced the need for "new impetus in areas where more progress is needed" and that "we will frame this work in a new Action Plan on the Implementation of the European Pillar of Social Rights".

The EU's policy landscape has changed significantly since the first Action Plan in 2021 in a 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.

What has been achieved under the 2021 Action Plan

74 out of the 75 initiatives in the 2021 Action Plan were delivered as planned.¹ However, **implementation of many of the key initiatives is only beginning** (e.g. Directives on Adequate Minimum Wages and Platform Work), making it difficult to track their impact at this stage. Moreover, the review of the 2021 Action Plan relies on the evaluation and monitoring of the individual initiatives themselves as there is no unified evaluation system

¹ The last one is the review of the 2021 Action Plan itself, which was always planned for 2025.

for the Action Plan as a whole. Depending on the type of the initiative, many have no evaluation foreseen in the future.²

Due to these limitations, the review of the 2021 Action Plan will rely primarily on the Commission's own assessment, as well as views collected from a broad range of stakeholders during the targeted and public consultation processes.

The 2021 Action Plan also put forward three EU headline targets on employment, skills and poverty reduction to be reached by 2030. These were welcomed by the EU leaders at the May 2021 Porto Social Summit and by the European Council in June 2021. Member States were asked to set their own national targets to ensure the EU ambitions can be reached jointly. These were presented at the June 2022 Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). Combined, Member States' individual commitments set the EU on the path of achieving or even exceeding the 2030 EU headline targets.

However, **progress to reach the headline targets is uneven**. The EU is close to achieving the employment target (75.3% in 2023 against the 2030 target of 78%), but still has a way to go on the skills (39.5% in 2022; target is 60%) and poverty reduction targets (-1.6 million people at risk of poverty or social exclusion, target is -15 million). There is also differing progress on the sub-targets, namely: the gender employment gap, provision of early childhood education and care, decrease in the rate of young people neither in employment, nor in education or training, basic digital skills, early school leaving, and child poverty.

What is being proposed

The new Action Plan will build on the achievements of the 2021 Pillar Action Plan, addressing emerging challenges and gaps to be closed. It will continue to monitor the implementation of the initiatives adopted in the first Action Plan and put forward important new initiatives for the current mandate to deepen the implementation of the European Pillar of Social Rights. It will also ensure links with upcoming key initiatives, such as the Quality Jobs Roadmap and the Anti-Poverty Strategy,

Moreover, the new Action Plan will make the case that strong social rights are the trademark of Europe's social market economy. They make Europe more competitive, more resilient, and more democratic. Inequality breeds unrest and extremism, while a strong social Europe can unite societies. Investing in people's skills, jobs and social rights empowers them, which leads to greater **competitiveness and productivity.** This new Action Plan offers the possibility to bring about positive, systemic change in the Member States that will have long-lasting effects for the generations to come.

The development of the new Action Plan will also pay due regards to the EU's general **simplification agenda**.³ To boost European competitiveness and stimulate growth, the

² Of the 75 initiatives, 7 are directives, 8 regulations, 15 recommendations, 28 communications and 17 take other forms such as staff working documents, pacts, guidelines and reports.

³ https://commission.europa.eu/law/law-making-process/better-regulation/simplification-and-implementation en.

EU must promote an environment that is conducive for both companies and workers. This involves preventing excessive regulatory burdens on businesses while ensuring fair working conditions for employees. By striking this balance, the EU can facilitate business expansion, generate quality employment, and attract investment. The new Action Plan is therefore an important tool to support simplification, as it identifies the gaps in creating a strong social Europe that need to be addressed in a targeted way, always being mindful to the potential to adding burden to businesses or workers.

Questions to social partners

Bringing to life the European Pillar of Social Rights is a **shared responsibility** for the EU institutions, national, regional and local authorities, social partners and civil society.

We would therefore like the input of social partners for this hearing to be as concrete as possible and underpinned with data and evidence (where available).

The first round of interventions will be dedicated to the review of the 2021 Action Plan. We would like to hear:

- What have been the key achievements of the 2021 Action Plan?
- What are the policy areas and initiatives that need further effort/have not been sufficiently addressed in the 2021 Action Plan?

The second round of interventions will be dedicated to the new and upcoming Action Plan. We would like to hear:

- What are policy measures that should be included in the new Action Plan?
- How can the new Action Plan contribute to the EU's simplification agenda for instance, by streamlining processes or clarifying rules in a way that brings tangible benefits to both workers and employers?

After the meeting, social partners are invited to share further information via email (<u>EMPL-EPSR-AP-2025@ec.europa.eu</u>).