

The logo for the Portuguese Socialist Party (PES) is located in the top left corner. It consists of a red speech bubble shape containing the letters 'PES' in white, bold, sans-serif font. Below the speech bubble, the words 'SOCIALISTS & DEMOCRATS' are written in a smaller, white, sans-serif font.

**PES**

SOCIALISTS &  
DEMOCRATS

# **PES Plan to overcome the Covid crisis**



# CONTENTS

<b>PES PRESIDENCY DECLARATION</b>	4 p.
<b>1. HEALTH MEASURES</b>	13 p.
<b>2. MEASURES ON EMPLOYMENT AND SOCIAL POLICY</b>	20 p.
<b>3. MEASURES TO SUPPORT THE HEALTH SECTOR, SOCIETY AND THE ECONOMY</b>	34 p.
<b>4. THE ROLE OF THE GREEN AND DIGITAL TRANSITIONS</b>	49 p.
<b>5. PROTECTING DEMOCRACY</b>	53 p.
<b>6. THE INTERNATIONAL DIMENSION OF THE RECOVERY</b>	56 p.
<b>7. CONCLUSION</b>	59 p.

# PES PRESIDENCY DECLARATION

*Adopted by the PES Presidency on 25 June 2020*

**T**hree months ago, no one would have expected that the COVID-19 pandemic would be the biggest stress test of European societies in recent decades. Public life was suddenly paused, and only essential services could carry on. This state of emergency and that the dramatic effects of the virus have led to a social, economic and health crisis.

The PES family was fast to mobilise at different levels, with our leaders, prime ministers, ministers, regions, mayors, commissioners, parliamentarians, member parties and affiliated member organisations to fight the consequences of the virus. We welcome the work of all the PES networks involved in the coordination of our political family's reaction and the **PES plan to contain the covid-19 shock and recover**.

We are facing a historical moment, where the European project is at stake. We called for an ambitious, large-scale mobilisation with an EU Recovery Fund to face the crisis and create the conditions for a green, social, digital, gender-equal, inclusive and sustainable future for Europe's economies and societies. The proposal made by

the European Commission on 27 May clearly bears our family's stamp and we welcomed it. We commend the collective effort and work of our PES Commissioners, of Prime Ministers, particularly the vocal role of Pedro Sánchez and Antonio Costa, of our parties in government notably the determining role of the SPD in shaping the position of Germany, of our MEPs in the S&D Group of the European Parliament. Together, they have pushed for progressive response to this crisis.

The European Pillar of Social Rights adopted under the leadership of Sweden's Prime Minister Stefan Löfven, the European Green Deal promoted by European Commission Vice-President Frans Timmermans and the EU Gender Equality Strategy put forward by Commissioner Helena Dalli are important achievements and must remain the framework for our collective European action. The Sustainable Development Goals that we imposed as a cultural and political reference in the 2019 EU campaign created the conditions for economic, social and ecological policies to be seen as mutually supportive. We also want to ensure the respect of the rule of law, democracy and equality every step of the way.



## **1 Europe must protect jobs, and relaunch a social, sustainable and feminist economy**

The socio-economic impact of COVID-19 is tremendous. While almost everyone was affected in one way or the other by this crisis, it has also brought to the fore the inequalities of our societies that have been neglected very often by so many for so long. It has reinforced once again our deep conviction that fighting inequalities and supporting those most in need must be our fundamental goal. After almost three months of extraordinary lockdowns, our cities and regions are gradually returning to life. Very difficult and delicate challenges remain. We must protect public health, and at the same time also ensure that jobs are protected. Massive layoffs and

abusive dismissals must be prevented. The main focus is to keep workers in employment, including those in short-time work, to ensure proper and safe working conditions and to respect all workers' rights, including migrant workers. As some workers may have already been made redundant, Member States in agreement with social partners should provide a "right to be rehired". Against this backdrop, cohesion policy and European Structural and Investment Funds play a pivotal role. The PES welcomed from the outset the initiative of Commissioners Paolo Gentiloni and Nicolas Schmit to create a European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE). SURE, must be accessible upon the preservation of employment and the protection from redundancy.

It must pave the way towards a European Unemployment Benefit Reinsurance Scheme, as proposed in the PES Manifesto to the 2019 European elections. In times of crisis, solidarity is not only needed to ensure no one is left behind, but also a key economic stabiliser that is much needed in times of recession. While respecting national specificities, such scheme should provide a euro-area common macroeconomic stabilisation and social and green investment support that will allow the EU to better deal with extraordinary shocks such as COVID-19.

The recovery must pave the way for a more equal and fairer society. It needs to contribute to a more sustainable and inclusive social and economic model for the EU in line with the SDGs. It must provide upward social convergence, including on working conditions and wage convergence, promote collective bargaining, respect of workers' and trade unions' rights and offers solid social protection to all, respecting national labour market models. These must reinforce and never undermine well-functioning national systems. It must be built on fair minimum wages already put forward by the European Commission, with priority on a reviewed Youth Guarantee, and on the announced Child Guarantee. For all those with no other sufficient source of income in this challenging period, a European minimum income scheme, a priority topic for the upcoming German Presidency, should be urgently set up, taking into account the economic situations, national practices, and standard of living in each country. It will provide much needed support to the poorest, amongst them families at risk of poverty and single parents households, and it will also provide new confidence to businesses to maintain jobs and recover production. More than ever it is necessary to roll out a full Social Action Plan to implement all the European Pillar of Social Rights and to implement the EU Gender Equality Strategy with ambitious and binding measures.

With average lower employment rates, more part-time

work, more precarious and informal jobs in care and health services as well as the hard-hit hospitality and retail sectors, less income, social security and a greater uptake of care responsibilities, women are affected more severely by the crisis. This crisis has also led to an increase in gender-based violence and threatened access to sexual and reproductive health and rights (SRHR). The recovery must be gender mainstreamed, and initiate gender pay transparency measures and gender pay reduction. The recovery plan should include indicators and targeted funding for gender equality, including to support employment, but also support to essential and care services to ensure women and their families can access assistance and safe spaces. Confinement has shown that failure to properly address gender-based violence and access to sexual and reproductive health and rights leads to women's rights violations. Children are also at a particular risk as day care centres and schools had to close down during the lockdown. This has exacerbated existing social inequalities in education and requires public efforts at all levels to invest in universally accessible high-quality education. This includes ensuring that all children have access to the resources necessary to follow digitalised education systems, as well as recognising the crucial importance of childcare and education services provided by local and regional authorities across the EU, which will inevitably come under strain as the economic crisis deepens.

At a time when staying home has become a necessity for many, inequalities in housing must be tackled, now more than ever. In addition to national moratoriums that guarantee no one loses their housing due to the COVID-19 outbreak, frameworks for rent negotiations must ensure affordable housing for all. We need a profound overhaul of the European economic governance and the European Semester to overcome investment gaps in general, and most specifically in housing creation and renovation, protect tenants and homeowners from evictions and

extend programmes fighting homelessness. Public action must be taken to ensure that vulnerable social groups, the elderly and children continue to have adequate access to adapted housing, care and food during and beyond the whole crisis and special attention should go to undocumented individuals and families in situations of acute vulnerability. This calls for further support to sustainable agricultural, livestock and fisheries productions, all strategic sectors to overcome the COVID-19 pandemic as guarantors of food supply.

Migrants, especially those who have an irregular or precarious status, are particularly affected by the current crisis, among whom migrant women have been even more affected. They have no documentation, or have difficulties in renewing their permits, hindering their access to basic services including medical care. We welcome notably the initiative of Prime Minister Antonio Costa to temporary grant residence status to everyone

with pending residence application. Migrant workers play a crucial role in some economic sectors in the EU, their contribution to the economic recovery will be vital. We must introduce measures to reduce their vulnerability, labour exploitation and social exclusion, ensuring equal treatment, decent working conditions and access to public healthcare and the labour market.

## **2** Europe must move towards a carbon-free, digital, democratic and gender equal future

The PES Presidency endorsed in its declaration of 27 May the proposal made by the European Commission to create a new recovery instrument, to be delivered primarily through grants as well as loans, and to revamp the Multiannual Financial Framework and urges its rapid adoption by the European Council.



PES presidency, Berlin 2021

This ambitious European recovery plan is necessary to avoid the cost of another long EU-wide recession combined with growing social inequalities, environmental degradation and growing populism. Europe needs now to look towards the long term and implement a strategy that focuses on the implementation of the UN SDGs of the Agenda 2030 and the European Green Deal, takes into consideration the digital transition, is gender-mainstreamed, strengthens our democracy, and is fully in line with the agenda of the European Pillar of Social Rights. For the PES, the European Commission proposal provides the right tools to pool resources and finance common European targets. We welcome the inclusion of the recovery instrument in the new Multiannual Financial Framework and its distribution through existing programmes in the form of grants. It must focus especially on the regions and countries that were hit the hardest, support the economic sectors that are most at risk and contribute to progressive reforms by allocating funds with conditionalities aiming at a more equal, just and inclusive society through a successful green and digital transformation, social inclusion and the application of rule of law criteria, taking into account the need for increased transparency and anticorruption measures in the use of EU funds. In this sense, the revision of the European Semester will be essential for the social dimension of the recovery strategy. Moreover, funds must be earmarked to support those most affected in our society. This instrument can mark a new page in European history where sustainability takes over from austerity and equality from inequality, with a view to achieving social, economic and territorial cohesion. The creation of new own resources for the EU budget will be instrumental in this effort, giving the EU the firepower of leveraging finances worthy of its size and needs. We need the completion of the monetary union with the financial union and reform of the Stability and Growth Pact. This is the progressive future we have been calling for.

In addition, the European Central Bank has already deepened its bond buying programme and the EU has approved a package of €540bn that combines programmes carried out by the European Stability Mechanism, the European Investment Bank and the activation of SURE. Combined these and the Commission's proposal can raise the EU recovery firepower to substantial levels. Attention is needed to ensure that recovery is carried out in a timely and fair manner, and that financial support will quickly and urgently reach the real economy and contribute to its modernisation and sustainability.

From the start of the COVID-19 outbreak, some Member States stepped in to provide financial support in the form of grants, subsidies and tax reliefs. This unprecedented, massive injection of public money led to the suspension of EU budgetary rules that needs to be maintained beyond the crisis and towards the revision on the European Semester, while government should continue managing their budgets in a sustainable and responsible manner. State aid should be provided with strict social, environmental and corporate conditionalities to safeguard the viability of our internal market and with particular attention to key strategic sectors and industries in order to decrease our dependencies on single suppliers in third countries. To finance a sustainable recovery, now more than ever Member States need to be protected from financial speculation, fight against tax evasion and tax fraud, look for innovative sources of financing and borrow from the markets with favourable conditions.

Some voices have been quick in demanding a moratorium on the ecological transition. This is the wrong perspective on fighting the COVID-19 impact. Instead, many measures outlined by the European Green Deal offer direct benefits to the economic recovery and the socio-economic convergence. The European Green Deal, as the new EU growth and jobs strategy, must now be accelerated more



than ever, harnessing the potential of a socially fair Just Transition Fund, the renovation wave, and the transition to a true circular economy. Public money invested should support the transition and incorporate the goals of the European Green Deal and the Sustainable Development Goals.

This crisis has also shown how important it is to strengthen the coordination and cohesion among Member States, to cement key achievements of the EU, including the freedom of movement, and to be better prepared to face a future emergency. Unfortunately, the crisis is also being used by some as an excuse to undermine the values of democracy, rule of law, gender equality, LGBTIQ rights and minority rights. We reiterate once more that these are universal values that must never be trampled upon. We will continue to defend and promote them, and will not allow COVID-19 to affect the EU's fundamental values, use of COVID-19 monitoring apps should respect the highest privacy and data protection standards. Moreover, the recovery needs to strengthen them and contribute to a truly feminist and equal Europe, with legally binding targets, based on universal human rights and solidarity.

### **3 Europe must create a Health Union**

While people gave spontaneous standing ovations to the modern superheroes, Europe was reminded that health is a fundamental right and an essential public good which must be accessible to all. It must be treated and supported accordingly, not just as another economic sector or as any other consumer good.

Our health sectors resisted, thanks to the commitment of its workers and their solid foundations. However, the crisis is a stern warning against weakening public systems

because of austerity. We must guarantee the protection of all healthcare and care professionals, improve their working conditions and increase wages in the healthcare and social service sector, with long-term measures for quality salaries and decent working conditions.

The COVID-19 crisis has shown that Member States alone have difficulties in dealing with such pandemics. This is why stronger cooperation and better coordination between the EU and its Member States in the field of health is an absolute necessity. Health and care systems must be strengthened, building resilience against any future threats and striving to deliver to each European access to high quality and affordable health and care services. The EU must also be seen as a Health Union, that can organise joint procurements for medical equipment, vaccines and medicines, centralise stockpiling of essential medical equipment and supplies, and ensure their fair distribution amongst Member States. It must ensure that funds for research and development of treatments and vaccines become available and guarantee that once a treatment or vaccine against COVID-19 is found it becomes a public good accessible to everyone. The crisis has acutely demonstrated that pooling of material and human resources amongst and within EU Member States has been challenging, putting to the test EU solidarity and cohesion. The EU and its Member States must work towards a global catalogue of essential medical equipment and medicines, whose access must remain guaranteed for all countries, and show leadership in UN initiatives that increase global cooperation to our common public benefit, such as patent pooling.

## 4 Europe must take its role on the international scene

By showing solidarity between Member States, Europe has demonstrated once again that it is a necessary good for our common future. Europe must lead by example on the international scene and support third countries particularly in our neighbourhood in the Western Balkans, the Eastern Partnership countries, the Middle East and Africa, and beyond, notably in Latin America. We must assist our partners with the humanitarian, health, social and economic consequences of the crisis.

The IMF board's decision for an immediate debt service relief for 25 of the poorest and the most vulnerable member countries is a first clear positive example of what concrete and rapid solidarity is about. In this spirit, the EU should lead further similar measures by international donors. A comprehensive strategy with the global south, including Africa, addressing global inequalities, climate change and human rights, is even more important today. We will work to ensure that democracy, human development and the fight against inequalities go hand in hand with the ecological transformation in development aid. The pandemic will have serious short and long-term consequences for people and the planet. The EU must protect its strategic assets, ensure its strategic autonomy and protect sectors that will be essential for the transition towards a carbon neutral economy, such as low carbon steel and aluminium

At the same time, it must relaunch SDGs and fair rules-based trade exchanges with a new international rulebook that puts solidarity, human rights and democratic decision-making at the forefront, and works to build a fair and sustainable globalisation. During the COVID-19 pandemic, many European companies have failed to take responsibility for their workers and producers in low labour cost countries, most notably in the garment and

medical equipment sectors. This once again highlights the clear need for strict international rules for corporate responsibility and strong due diligence for goods entering the European market. When misinformation and fake news are killing people and put at risk our democratic model, we must increase the resilience of democracy worldwide. Against of rising nationalism and populism, attacks against human rights, the rule of law and democracy, and the undermining of international organisations and agreements, we reiterate our commitment to multilateral institutions, the rules-based international order and support the reforms proposals by the UN Secretary General Antonio Guterres. We remain committed to safeguard peace and the security of all people. The EU has to speak with one voice to reaffirm our values based on human rights, democracy, equality, sustainability and wellbeing.

The COVID-19 crisis has shown that the EU is a political project, a project that places solidarity between countries, regions and people first. Now, Europe needs to stand united. With an ambitious forward-looking European strategy and a solid EU Recovery Fund, Europe will be able to work in the interest of all its citizens and to strengthen our European social model made of social justice, gender equality, democratic accountability, rule of law, quality education and health care, strong public services, innovative economy, cultural creativity and respectful and inclusive societies. At the same time, the Conference on the Future of Europe must be launched as soon as possible as a truly participatory process to discuss with citizens across the EU how to improve the Union and its functioning.



# SAVING LIVES, SAVING JOBS AND CHANGING OUR FUTURE

The EU project is at stake – our political family must be at the level of this historical challenge!

The COVID-19 crisis that the world is facing will impact our societies for a very long time. Right now, we are in an **emergency phase** where the priority must be to **save human lives, strength our health systems**, and prevent massive job destruction. While containing these big shocks, we also need to prevent the risk of downward spiral and a deep recession by launching a Recovery Plan which should transform our economies and societies.

The PES family organised rapidly to coordinate the response of our family. Our **thematic networks, governments, prime ministers, leaders, commissioners, parliamentarians, mayors and PES member organisations have all been working hard** to put in place the measures necessary to contain the shock of the crisis, and develop the recovery plan that will be necessary to overcome it in a rapid, sustainable, and fair way. **Our priority is to save lives, and to save jobs.**

Our tireless effort paid off. The strong declarations and proposals that were brought forward by our prime ministers and governments paved the way for the European reaction. The S&D Group in the European

Parliament was instrumental in pushing for the adoption of exceptional resolutions addressing this crisis. The PES is proud to be the first political family to establish clear progressive priorities for containing and overcoming this crisis. Thanks to the constant effort of our Commissioners, these priorities are deeply embedded in the European Commission proposal for a major recovery plan.

In this document we seek to regroup in a succinct way **some of the key measures** that our family has and should promote to contain the shock and plan the recovery. Decisive action is still needed at national and local level, but also at European level for the whole EU. As socialists and democrats, we will need to continue fighting so that the management of this shock and the recovery plan is **social and fair**. Our plan must answer to the **climate emergency making the best use of the digital revolution. The European Green Deal, the Social Pillar and the EU Gender Equality Strategy are and must remain the framework for our collective action and shape the future of our European societies**. We need a process that ensures the **respect of the rule of law, democracy and equality** every step of the way.

This health crisis has re-confirmed how important **role of the state** and in particular the welfare state is for society. The neo-liberal austerity measures implemented over the past ten years preached for the shrinking of states and the weakening of public sector, including the health sector. The **austerity dogma has left our welfare states weak**; it has increased the unemployment and poverty rates; and most importantly it has meant the unsustainable rise of economic, social, and gender inequalities. The COVID-19 has no borders, and only with a comprehensive common European solution can Europe come out stronger and united. Austerity cannot be the answer for overcoming the COVID crisis.

The PES Presidency in a declaration adopted on 27 May says:

*'Now, Europe needs to stand united. This crisis reminds everyone that the EU is a political project; a project that places solidarity between countries, regions and people first. For us, Party of European Socialists, the recovery must build a future of social justice, equality, democratic accountability, the rule of law, human rights, quality education and healthcare, strong public services, an innovative economy, cultural creativity and respectful and inclusive societies.'*

#### **In this paper we look at six key dimensions:**

- 1)** Short- and longer-term health measures
- 2)** Measures on employment and social policy
- 3)** Measures to support the economy
- 4)** Role of the green and digital transitions
- 5)** Measures to protect democracy
- 6)** International Dimension

# 1. HEALTH MEASURES

**T**his crisis is first of all a health crisis. Saving lives and keeping the health systems from collapsing is and must be the absolute priority. However, we must also learn the lessons from this crisis and improve those health systems for the longer term. Health and care services are central to the public good. Like other pillars of society - education, culture, water, sanitation - health is not a commodity like any other. It is a right that cannot be solely subjected to market forces.

We are opposed to the principle of commodification of health. Access to high-quality services is an inherent social right for all people and it must remain so in Europe. Therefore, we support a definition of Global Public Good which encompasses health and care services, and allows Member States to take all necessary measures to support national and regional health systems.


**These are some of the measures to consider for both these dimensions:**

## 1.1 SHORT TERM HEALTH MEASURES

- Member States must **guarantee the protection of doctors, nurses, health and care professionals and any other workers** on the frontlines which maintain the functioning of the public life and of essential activities and which are at higher risk of being confronted with the virus. No worker, regardless of the contract type, place of employment or employer size, should be disregarded. This should include targeted public investments to meet the needs of women health service providers, who make up 76% of the EU health workforce. Women should be equally involved in the decision-making and at every stage of the response and recovery plan of this crisis, especially those working on the front and most affected.
- Member States should give particular **attention to seniors and vulnerable persons** especially those who are living alone or in elderly homes. The elderly and their caretakers should be tested and protected. As people over 65 are at particular risk from COVID-19, they need special protection from infection and should not be discriminated against during treatment. Whilst fully respecting subsidiarity, Member States should stimulate and support regional and local authorities and civil society initiatives to combat the health crisis by providing care, long term care, and help for their citizens.
- To prevent medicine, supplies and protective equipment shortages, Member States must further undergo the practice of joint procurements. It is important to have a stronger and faster **joint procurement** mechanism in response not only in case of epidemics, but also for expensive new treatments, rare diseases or new antibiotics. It is through such initiatives that the European Union can avoid competition between Member States and secure, on

the global market, concrete offers of large-scale orders, at a competitive price and at the shortest notice.

- This process must be used by Member States when purchasing the **vaccine for COVID-19** once it is available, to avoid price speculation and allow equal access throughout the EU. Going forward, vaccines, treatments and therapies, particularly in cases of urgent public health threats, **must be considered a public good**. Therefore, they must be available without any speculative or profit consideration to all countries.
- The EU must further strengthen civil protection instruments, such as RescEU, to improve coordination and effectiveness of **joint repatriation of EU citizens** and transportation of patients from saturated hospitals in one Member State to another where capacity is still available.
- We must increase the Union's stockpiling capacities when it comes to **essential medical equipment and supplies**, needed to fight coronavirus such as protective face masks, ventilators, test kits and laboratory supplies. Regions which are the most affected by medicine and equipment shortages need to be prioritised when it comes to the distribution of these vital goods.
- Ensure continuity within the Single Market when it comes to **distribution of medical supplies** and other vital goods through the Green lanes put in place by the European Commission. Unilateral action by Member States goes against the spirit of solidarity and may jeopardise the Single Market – it must be strongly discouraged.



**"MEMBER STATES SHOULD GIVE PARTICULAR ATTENTION TO SENIORS AND VULNERABLE PERSONS. THE ELDERLY AND THEIR CARETAKERS SHOULD BE TESTED AND PROTECTED"**

- The EU should mobilise immediate and sufficiently abundant support at the global level for doctors, medical institutions and researchers so they can obtain the means to **develop an effective treatment and vaccine for this virus**. In addition, it is our duty to cooperate with our international partners, both at the WHO and WTO level, to agree on a common catalogue of essential emergency healthcare products in order to prevent price manipulation.

- **Empower the European Centre for Disease Prevention and Control (ECDC)** and of the European Medical Agency (EMA) **with more human resources and capital**. We must give the means necessary for these agencies to enhance the coordination of medical responses, its disease prevention and health threats control capabilities.

- More cooperation is necessary between consumer protection authorities to **combat sales of fake products by using false health claims**. In this sensitive time, consumers are especially vulnerable to misleading advertising and online fraud.

- Important to **tackle misinformation and disinformation** in the health space which are thriving since the beginning of COVID-19.

- Member States must guarantee access to universal health care, including to sexual and reproductive health services, such as pre- and postnatal care, emergency contraception, abortion, and sanitary products.

- Member States must support services addressing gender-based violence, disabilities and mental health issues, with particular focus on funding for shelters and online helplines, and awareness raising campaigns and clear information targeted to vulnerable groups.

- In line with the European Parliament Joint Resolution from 16 April, we support the **deployment of the European Medical Corps**, which will mobilise health professionals in order to provide medical support to the most affected regions.

- **Member States and the EU must coordinate their actions** when it comes to lifting the confinement measures. In order to avoid the resurgence of the virus, it is fundamental that such decisions are taken jointly and be based on similar criteria. The risk level of certain jobs and economic activities must be taken into account when outlining the strategies for return to work.

- Our **gradual return to normal life must not undermine public health safety**. National authorities should provide practical and clear guidance on health and safety for employers and workers. In addition, Member States must test citizens and provide them with personal protective equipment. Special care should be taken in closed confined environments, particularly work spaces, nursing homes, schools and prisons.





## 1.2 MEDIUM- AND LONGER-TERM HEALTH MEASURES

- **Public, free and well-funded healthcare is and must remain a backbone of our welfare states.**

It is necessary to repair the harm years of neoliberal policies, austerity, budgetary cuts and privatisation of services. It is fundamental that we guarantee universal access to health to all our citizens, regardless of age, race, gender, sexual orientation, or socio-economic background.

- **Investing and building up the public health systems in Europe,**

thus ensuring that national health systems are properly equipped. We cannot have public healthcare institutions facing a pandemic without enough beds for their patients, masks for their nurses and staff to take care of those who are sick. An integrated care model must be promoted at the EU level, for effective and efficient long-term care. Integrated care systems improve the coordination between health systems and social service systems and help to better address the health and social needs of the most vulnerable persons, especially people with disabilities, elderly and dependent. Care, long-term care and similar services should be available at affordable prices in order to safeguard the health of the elderly, which are at particular risk during this crisis. Investments in formal care are also needed to ease the unpaid care burden on women, which has been particularly heavy during this crisis.

- **Create more job opportunities for doctors, nurses, medical staff and caretakers.**

It is time to increase our efforts to deliver high-quality, equally accessible healthcare and care to all, including socially excluded groups.

- **Improve the condition of doctors, nurses and other professionals** working in public healthcare institutions. They must **benefit from good wages** and enjoy **good working conditions, including work-life balance**. Most care professions, especially those occupied mainly by women, have been under-valued and under-paid for far too long.

- The **European Medicines Agency should be supported to use all available tools for rapid approval of a safe and effective COVID-19 vaccine**. Member States need to share all information about the experimental use of anti-viral or other medicines to ensure we make scientific progress together.

- The Multi-Annual Financial Framework for 2021-2027 must be revised with a renewed ambition on this front in order to be able to respond to the challenges that arise from the pandemics and its economic and social consequences. More money is needed when it comes to European programmes which aim to improve public health, prevent illness, and eliminate threats to physical and mental health in European countries. A **robust and sufficiently financed, gender mainstreamed cohesion policy** is essential to this goal.

- The EU should allocate financial resources to ensure gender equality does not backtrack in the wake of the corona crisis, with particular focus on combatting gender-based violence, securing sexual and reproductive health and rights (SRHR) and supporting women's employment. Pushing for the full implementation of the Istanbul Convention by all EU countries is also necessary to ensure women's health and safety in times of crisis.

- Preventing health hazards for all consumers has to be mainstreamed in the EU's industrial policy. This includes a ban of hazardous substances like endocrine disruptors in production processes, consumer products and resource recovery. The Zero-Pollution Strategy must decisively cut down on air pollution to prevent respiratory diseases and premature deaths
- The EU must **allocate sound funding for research and innovation related to public health threats and emergencies** so that we build our preparedness and resilience in fighting COVID-19 and possible future pandemics. Flagship initiatives under programs like **Horizon 2020** are fundamental when it comes to research and innovation for medicines, vaccines, treatments and other health-related topics.
- The EU must be better prepared to tackle any future health crisis. It is important to have a European Health Response Mechanism that reacts promptly and efficiently when such occurrences arise. This expert-led body would be tasked with being an information hub, ensuring surveillance, formalising tools, guidelines and other best practices taken during the COVID-19 crisis, and planning for a response in the case of health crisis.
- The **digitalisation of health** must be increased. We need harmonised health data standards and to establish a **European Health Data Space** with high standards for personal data and privacy. The use of anonymised and secured age and sex-disaggregated health data sets accessible to researchers would allow us not only to tackle more accurately the ongoing pandemic, but also to design better health public policies in the future and **optimise healthcare systems and services**. Preventing future outbreaks requires effective cooperation at the EU level. Nonetheless, **safety and privacy of personal data in health must be guaranteed**.
- **The new European Industrial Policy needs to ensure our global competitiveness, but also our strategic autonomy and resilience to shocks.** The EU should not be over reliant on global value and production chains. We need a new transparent EU pharmaceutical strategy which must tackle these problems and lead to increased European autonomy in production of medicines and pharmaceutical ingredients, medical devices, equipment and materials at affordable and fair prices. The EU should be self-sufficient in medical supplies, including raw materials for medical products. Therefore, European companies will be enabled to develop and to manufacture raw materials for medicinal products whilst protected by EU rules.
- Build up Europe's transformative resilience for the future by learning all the lessons from the current crisis and **improve the emergency planning and response capacities** in the health, economic and social fields, for example, by setting up emergency hospitals and emergency support organisations including the development and installation of reliable detection devices and safety stock, thus being prepared for future emergencies. After the crisis the EU should closely monitor all developments to prevent the occurrence of a similar situation.
- **Digitalisation of health services can also have a positive contribution in preventing and controlling future outbreaks.** For instance, through the implementation of telemedicine support, citizens may avoid unnecessary visits to hospitals, thus reducing the chances of being infected with the disease. Such tools would also improve services for remote populations and reduce inequalities based on region. They must be an addition - and not a replacement - for traditional medical and healthcare services.

- The European Union should create an **e-health framework** for Member States to share national initiatives that empower citizens and improve healthcare systems and services. Financial support should be provided for all Member States, according to their needs. This initiative would help us to **reduce the digital divide between and within Member States**, namely in developing digital literacy of citizens, providing widespread access to the internet, and training for healthcare professionals.

- These efforts shall be the starting point for building up a strong European **Health Union** to support national healthcare systems. We must ensure quality services whenever our citizens need them and have a European framework and strategy to provide certainty and reliability, especially in emergencies. In light of the COVID-19 emergency and in order to fulfil the Sustainable Development Goal of universal health coverage, Member States should carry out stress tests of national and regional healthcare systems. Based on the results, the European Commission would propose minimum standards to ensure quality EU-wide healthcare systems.

- The new EU4Health Programme put out by the European Commission, proposing investments of 9.4 billion Euro for the period 2021-2027, is a good step towards improving and strengthening health systems in the EU.

- Delivering on the European Health Union will allow us to fulfil many of the aforementioned measures: ensuring EU-wide access to affordable health and care, boosting the coordination of national services and policy responses, especially in times of crisis, promoting our industrial autonomy in medicines and fundamental supplies production, joint procurement and stockpiling,

ethically gathering health data to prevent future outbreaks and safeguarding public health.

#### EU FLAGSHIP MEASURES

1. **Improve good health and care services for all our citizens.**
2. **Guarantee the protection and wellbeing of all healthcare and care professionals, including through better wages and working conditions.**
3. **EU funding must guarantee access to SRHR and combat gender-based violence in times of crisis.**
4. **EU joint procurements of medical equipment.**
5. **EU stockpiling essential medical equipment and supplies.**
6. **Support research on vaccines and immunisation.**



## 2. MEASURES ON EMPLOYMENT AND SOCIAL POLICY

**T**he impact of COVID-19 and the necessary measures to contain it will without any doubt put huge pressure on the employment and social situation in every Member State. Not only will it further stress pre-existing social imbalances, but it will also have a further negative impact. COVID-19 could lead to massive unemployment in Europe, with 22 to 25 million people out of work. In this phase of shock absorption, the aim is to maintain workers in employment and good working conditions as long as possible. It is a fundamental priority. This is where we expect one of the key political battles to play out. For us, socialists and democrats, supporting unemployment benefit systems is not only a matter of justice and fairness, but it is also the best way to help rebuild resilient societies. We will have to be ready to resist the attempts that will doubtless come from our opponents to present austerity and the dismantling of the social state as the way to recovery. It is the opposite. The recovery must pave the way for a more equal and fairer society, it needs to contribute to a

more sustainable and inclusive social and economic model for the EU, which provides upward social convergence, including upward working conditions and wage convergence, respects workers' and trade unions' rights and offers solid social protection to all. More than ever, it is necessary to roll out a full Social Action Plan to fully implement the principles enshrined in the European Pillar of Social Rights, building on the initiatives for gender pay transparency and fair minimum wages already put forward by the European Commission. Thus, the EU should develop a comprehensive social recovery strategy aimed at supporting and coordinating national responses to protect those who have been most affected by the COVID-19 crisis and to develop more resilient and equal societies for the future. This European social recovery strategy must be gender mainstreamed in all stages of the policy design to address the different impacts on women and men, as foreseen in the EU Gender Equality Strategy 2020-2025.



Photo by: Arlington Research

This accounts for all relevant policy areas such as health, social and economics, where women are affected more severely due to already existing inequalities and gender gaps, for example lower employment, more precarious and informal jobs, less income and social security, and unequal sharing of unpaid care responsibilities. Too many badly paid jobs

in essential services are done by women, contributing to the gender pay gap despite the importance of the work done. Single parents, mainly women, are facing a more difficult situation than the average household due to the pandemic containment measures. These situations must be mitigated with adequate support.

## 2.1 MAINTAINING PEOPLE IN EMPLOYMENT

- Maintaining people in employment must be a key priority for all. As an emergency response, short time work schemes can bring several benefits, such as helping reduce dismissals, diminishing pressures on unemployment schemes, and maintaining economic activity. It must ensure that a fair portion of the regular

wage is still paid or provided via state subsidy schemes, and via the SURE programme, while giving special consideration to workers under contracts with discretionary bonuses.



- We welcome the initiative and efforts of European Commissioners Nicolas Schmit and Paolo Gentiloni to create a European Instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), which should provide financial support to short-time work measures. In order to ensure that an adequate level of support is provided, the scheme should cover measures focused on employment only and should not be broadened to health-related measures. It is crucial that all Member States put short time working schemes in place and make them available to all workers, in all sectors of activity, and that such schemes remain in place in the period after the immediate confinement. These measures must be sufficient to ensure a decent standard of living, covering a sufficient amount of the original wage. Social partners should be fully involved in this process, at national, sectoral and company level and the process must be gender-mainstreamed. The instrument should be triggered immediately to help national schemes under pressure due to the economic shutdown and the sudden spike on partial unemployment and should continue operating also during the recovery period, until the unemployment emergency is over. Member States should provide the necessary guarantees without delay and receive loans to repay these expenditures and subsidies that would cover interest rate costs for a predetermined period of time. The loans to be granted should have longest repayment periods and the lowest interest rates possible. To ensure proper implementation of SURE, Member States should support national inspection services and establish fast-track procedures for complaints.

- Access to SURE should be dependent upon the preservation of employment and provide protection from redundancy. This protection should be retroactive and should cover a period after the end of short time work. The SURE proposal should consist of a rainy day fund, established by ordinary legislative procedure duly

involving the European Parliament and ensuring that companies using public financial support will not be registered in tax havens, will not lay off workers, reduce wages, and undermine workers' rights and protection, neither will they pay bonuses to management or dividends to shareholders.

- Considering that some workers may have already been made redundant, Member States should provide a "right to be rehired". Guidelines that will follow SURE should recognise and support the need for measures to secure the supply chain and for due diligence by companies.

- The SURE proposal is an emergency measure in the context of the COVID-19 crisis; as stated in the Joint Resolution from the European Parliament of 17 April, the Commission's proposal on SURE, of 2 April must serve as a starting point towards a permanent European Unemployment Benefit Reinsurance Scheme with adequate resources, able to support national unemployment benefits systems in times of economic shocks and go beyond the provision of loans. While respecting national specificities, such a scheme should provide a euro-area common macroeconomic stabilisation and investment support that will allow the EU to better deal with shocks such as COVID-19 that cannot be managed at the national level alone. The scheme would be complementary to national employment schemes.

- The SURE scheme should include a temporary European Employment Guarantee inspired by the existing Youth Employment Initiative and Guarantee, combined with a support scheme to complement the European Social Fund in addressing significant needs in training, re- and up-skilling programmes when major shocks occur.



Measures must be put in place to ensure that unscrupulous employers do not use the COVID-19 crisis as an excuse for abusive dismissals. Generous and fair layoff schemes should be put in place when dismissals are unavoidable.

- In order to secure compliance with workers' rights in case of restructuring and major changes in work organisation or contractual relations, the EU should develop a new framework on information, consultation, and board level.

Photo by: Lob Lambert





## 2.2. STRONGER AND MORE RESILIENT WELFARE STATES

- The pandemic will have a negative impact on social inequality and this should be addressed with differentiated measures, aimed at reducing both pre-existing and newly developed inequalities among citizens. Member States should increase their social investment and allocate more resources to their healthcare systems, social protection systems as well as education, now and for the future. COVID-19 has highlighted how dangerous the limited capacity of our healthcare systems is. We must ensure public services are of high-quality and equally accessible to all, in particular to socially excluded groups and that they offer good working conditions and good wages. Social security systems must be strengthened to provide accessible and affordable social protection for everyone. Access to unemployment benefits should be reviewed for the time of the crisis and the recovery, so that no one is left out unfairly. Social support measures should also target the most vulnerable, such as people with disabilities, labour migrants, refugees (especially women and children) in over-crowded camps and facilities, and the homeless.

- Social protection should be expanded, through new or existing schemes, to cover all workers including those in non-standard forms of employment, such as platform workers, seasonal and migrant workers, as well as the self-employed. Rights of all workers, including collective bargaining, and working conditions must be guaranteed in an equal manner. The situation of undeclared workers needs to be taken into account too and Member States should take measures both to protect undeclared workers in the crisis and further fight against undeclared work. The responsibility of all employers, be it corporations or platforms, must be

enforced. Extend the social safety net to severely affected entrepreneurs and small business owners. Profit drops can also endanger their personal subsistence and we must not leave them behind.

- More EU funds should be targeted to improving women's employment, which is particularly affected by the crisis.

- There is a need for specific protection for young people during the emergency and beyond as many young workers have been easily laid-off and do not have access to social protection or financial compensation for their loss of income. The European Youth Guarantee, a landmark achievement for our family, should be reinforced and extended to anyone under the age of 30 years old.

- A broad European Anti-Poverty Strategy should be developed as soon as possible, including a European-wide programme to end and prevent homelessness, a European minimum income scheme, a loan guarantee for first home owners to prevent a mortgage default and a scheme to protect tenants from eviction in case of an economic shock or crisis.

- For all those with no other sufficient source of income during this time, a temporary European minimum income scheme should be urgently set up, possibly via a framework Directive, taking into account the economic situations and standard of living in each country. A shock announcement of a one-off significant transfer to low income and at risk of poverty families, especially single-parent households, to be made until the summer 2020, could also provide new confidence to businesses

to maintain jobs and recover production swiftly, particularly in critical sectors most affected in the short-term, like tourism, transport and culture and creative industries.



## 2.3. ENSURING AND IMPROVING HIGH STANDARDS OF WORKING CONDITIONS

- The crisis has highlighted how undervalued frontline workers' contribution to society is. It has cruelly showed that for too many, going to work still implies taking health and safety risks. New working practices have increased too. In all cases we remain convinced of the need for decent work and decent wages for all.
- A coordinated European initiative should lead to a pay rise for frontline workers in the crisis, including health workers, delivery workers, shop assistants, cleaners, or truck drivers, who have kept our societies running throughout this crisis. Any such ad hoc measure should not however distract us from the need for long-term measures for quality salaries, and decent working conditions
- The transposition and implementation of already adopted legislative instruments must be continued, for example the revision of the Posting of Workers Directive, the Directive on Transparent and Predictable Working Conditions, the Recommendation on Social Protection, the Work Life Balance Directive. Posted workers and mobile workers, including seasonal, frontier and third country national workers, must enjoy the same conditions and receive the same treatment as other national citizens, especially when it comes to access to healthcare, sick pay and short-time work measures. We need a broad agreement that provides certainty about access to healthcare and social protection. This must also apply to seasonal workers in the agricultural sector, which are crucial to maintaining food security during this crisis and beyond. The crisis has also further evidenced that too many mobile workers still work in unacceptable conditions, as seen in the meat processing sector. An action plan to strengthen regulation and its implementation is needed to end brain drain and mobile workers' exploitation and ensure the dignity of all workers.
- The corona crisis has changed the daily work of many employees and for many professions has originated a surge in the use of telework. Employment arrangements should be flexible whenever possible and working conditions should be adaptable to the needs of the worker. This calls for the possibility of voluntary teleworking to be broadened but also for clear minimum conditions framing teleworking and preventing abuses, possibly gathered in a dedicated

directive. The importance of work-life balance during telework, especially for women, must be addressed. More investments should be channeled into eliminating the digital divide. Adequate and affordable Internet access for all to ensure teleworking, online learning and schooling, and online social and cultural life has become essential in the midst of the pandemic and in confinement situations, and should be developed as rapidly as possible, not least in rural areas which are at a disadvantage. This will also make our European society and economy more resilient in future.

- To better share work in a context of rising unemployment and to allow a better work-life balance for all workers, a further reduction of working time limits should be envisaged.
- Member States, in cooperation with social partners, should intensify their efforts to develop stronger occupational health and safety policies as a healthy and safe workplace is vital in order to combat the risk of getting infected and for spreading viruses and other diseases. Member States also have to take actions to strengthen the role of trade union health and safety representatives. Employers need to take responsibility for the health and safety of their workers and provide them and their representatives with adequate information, make regular risk assessments and take prevention measures in order to protect workers. These measures should be fully implemented and any attempt to undermine health and safety standards needs to be firmly opposed. National Occupational Safety and Health inspectorates should be provided with sufficient financing and staff to undertake regularly labour inspections, and also provide guidance and support to public administrations, enterprises and workers in their efforts to address the risk arising from COVID-19.

- A directive on psychosocial risks should be explored.
- The European Commission should present a new EU strategy on Health and Safety at Work, including a zero vision on fatal accidents and work-related cancer, but also measures to protect workers at the frontline from virus outbreaks. The European Commission must also continue updating the EU Carcinogens and Mutagens Directive with additional binding occupational exposure limits. Despite the fact that COVID-19 was not added to the highest risk group under the Directive 2000/54/EC on the protection of workers from biological agents at work, Member States should ensure adequate protection.
- Mental health should receive particular EU attention. 25 % of EU citizens will experience mental health problems in their lifetime as result of poor work-design and high workloads according to EU estimates<sup>1</sup>. This can in turn lead to an increase in rates of sick leave and absenteeism, accidents and staff turnover. Employers need to take responsibility of the mental illness caused by poor work-design and high workloads and continuously work together with the trade union representatives to promote the wellbeing of workers. We need an EU-wide awareness campaign and to push the Commission to involve social partners in order to develop a Directive on Psychosocial Risks to protect the mental wellbeing of all workers.
- Strong social dialogue and collective bargaining should be promoted and ensured at all levels, to deal with the health crisis and its aftermath. Social protection, good working conditions, trade unions' and workers' rights should be upheld and maintained through the economic recovery, both for those physically present at the workplace and those teleworking.

<sup>1</sup> <https://www.etuc.org/en/pressrelease/taking-mental-health-work-seriously>

## 2.4 INVESTING IN EDUCATION, TRAINING AND CARE

- Educational systems should be supported in the current crisis and should be made more resilient to future crises. This should include the development of online or media platforms that allow home education in such situations. These instruments should be accessible to all children, in line with the European Child Guarantee, irrespective of

their social situation. In order to improve young people's access to digital literacy, we welcome the European Commission's initiative to revise and update the Digital Education Action Plan.

Photo by: Mira Kireeva



- Reskilling and upskilling will be a key ingredient in order to adapt the labour markets during the times of the COVID-19 crisis, but also to make sure that Europe emerges more competitive from the crisis. Member States should build up or strengthen job transition support systems, with support from the European Social Fund.
- The Erasmus+ programme is key not only to promoting student mobility, but also to supporting adult training. It must be equipped to fulfil its goals of reducing unemployment, particularly among young people. Free childcare should be made available for all types of parents and family constellations, including rainbow families, working in essential services during the crisis and there should be increased support for families caring for children with disabilities. This is particularly important to ease the burden on women, who on average are already assuming disproportionate care responsibilities for family and household.
- Assistance should be made available to parents, while educational institutions are closed, for instance through paid special leave or other mechanisms.
- Special attention will be needed for the care and the long-term-care of the elderly, especially for those who live alone or in homes for the elderly, by providing affordable and accessible adapted housing, care and long-time care.
- Public emergency funding, including an increase of capacities, should be made available for organisations helping vulnerable women and children, and support for helplines and shelters for women exposed to intimate-partner violence. First responders such as medical and pharmaceutical staff, as well as police and institutional administration should receive trainings and capacity building so that they can adapt to changing patterns of domestic and intimate partner violence in times of crisis. An EU fund to support gender equality in the aftermath of the pandemic should be created. Reports show that gender-based and domestic violence has already increased due to the confinement situation. New financial support and services, awareness campaigns and new shelters are needed to combat such violence.

## 2.5 AFFORDABLE HOUSING FOR ALL

- At a time when staying home has turned to a necessity for many, inequalities in housing must be tackled now more than ever.
- In addition to national moratoriums that guarantee no one loses their housing due to the COVID-19 outbreak, a framework must be prepared for rent negotiations that can ensure affordable housing for all and the swift adaption of the housing market to the socioeconomic outlook. To this end, guarantees to protect home-owners from mortgage default and a specific scheme to protect tenants from eviction during the crisis must be put in place.
- Both tenants and homeowners who are still paying their mortgage should be allowed to renegotiate their conditions. It will be important to foresee measures to overcome investment gaps in housing and protect tenants

and homeowners from evictions to prevent new homelessness. Medical professionals and other health and care workers must not be evicted nor discriminated against due to exposure to the coronavirus. Their personal sacrifice must be met with solidarity and social protection.

- The crisis has highlighted the importance of supporting and implementing the Housing First program in all

Member States. Studies have shown that supportive housing does not only resolves homelessness and increases housing stability, but also improves health and lowers public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centres, jails, and reduces the use of emergency services and shelters.

Photo by: Brandon Griggs





## 2.6 SECURED FOOD CHAINS AND RURAL DEVELOPMENT

- European and national public action must be taken to ensure that vulnerable social groups, the elderly and children continue to have adequate access to food during and beyond the whole crisis. For many people, access to food has been disrupted by the COVID-19 crisis and we must monitor this and secure access to food for all, especially for those who are most deprived. Specific measures for older people must not lead to social exclusion and must not be discriminatory.
- We must ensure the economic viability and resilience of our agricultural, livestock and fisheries productions which, being one of the strategic sectors to overcome the COVID-19 pandemic as guarantors of food supply, is also one of the most affected by this crisis. We are in favour of reducing the requirements

and controls to access financial instruments and aids, which will reduce the administrative burden and avoid unnecessary delays, so that producers can face with greater liquidity and less obstacles the difficult situation in which we find ourselves.

- This is a key moment to advance digitalisation, to improve life in rural areas, and to implement a more sustainable agriculture model that allows us to produce more and healthier foods, using fewer resources. To this end, farmers of the European Union will have such important tools as the Common Agricultural Policy and the Farm to Fork Strategy within the European Green Deal, which will allow optimised processes, improved decision-making and, ultimately, the continued production of healthy and quality food at reasonable prices.

## 2.7 EUROPEAN FUNDS

- European Social Fund+ and European Globalisation Adjustment Fund need to be strengthened with additional significant funding, in order to make sure that they are available to all European workers and the many other social projects needed to combat the crisis' impact. The S&D Group in the European Parliament has proposed that the ESF+ budget should be doubled in the MFF 2021-2027 to 210 billion euros as the best real correction mechanism in the medium term to reduce social divergences and the most effective and sustainable way to support vulnerable groups, including women, children, youth, elderly,

migrants and people with disabilities.

- The implementation of the European Child Guarantee with a budget of 20 billion euros is urgent, ensuring access to free quality healthcare, education and childcare, decent housing and adequate nutrition for all children in need.
- In additions to a gender-mainstreamed Recovery Fund an 'EU Women Corona Fund' should dedicate targeted money to programmes aiming at improving gender equality in the wake of the crisis.

- Actions must be taken to mobilise essential investments and resources to guarantee the continuity of care and support services, in line with the principles of the UN Convention on the Rights of Persons with Disabilities and the European Pillar of Social Rights. The Coronavirus Response Investment Initiative (CRII and CRII +) must therefore include specific guidance to help Member States ensure such resources, including the European Social Fund, which are used to support persons with disabilities and other persons with support needs.

- Regional and cohesion policy should continue to focus on economic, social and territorial cohesion, as a vital tool to support a cohesive economic and social recovery across the whole EU. This should be accompanied by the simplification of the procedures to access funds so that money reaches its beneficiaries more quickly.





## 2.8 IMPROVED EUROPEAN GOVERNANCE

- The European Semester should carefully monitor developments at national level and should ensure that national governments uphold social protection and rights for everyone, which will be essential in mitigating the effects of any future risks. The European Semester should frame the social recovery strategy and guide its implementation during the current semester process. The ongoing European Semester 2020 exercise should take into consideration the current situation; therefore, the forthcoming country-specific recommendations should be postponed to the summer and once published by the Commission they should be based on a comprehensive and complete assessment of all the measures taken by the Member States and they should focus on the economic recovery by containing strong social chapters to define and pilot a sustainable, socially robust and gender-sensitive economic recovery.

- After the 2008 financial crisis, the ECB implemented stress tests of the banking sector in 2011, as a way of strengthening the banking system. However, despite the difficulties they faced during the 2008 crisis and its aftermath, the resilience of social welfare systems was not tested. Instead, welfare systems had to face continued budget cuts, which made them even less capable of attending the growing social and health needs then and today. The EU should thus regularly assess the capacity of Member States' welfare systems to cope with their mission, including in the case of severe crises, such as the one created by COVID-19, through a welfare system stress test, in order to make sure they are resilient, robust and protective.

### EU FLAGSHIP MEASURES

1. **Protect jobs. Keep workers in employment, including short-time work schemes in order to prevent massive job destruction.**
2. **Prevent abusive dismissals.**
3. **Put in place fair layoff schemes.**
4. **Set up a temporary European minimum income scheme for all those with no other sufficient source of income during the time of crisis.**
5. **Implement the SURE initiative to tackle the pressing and acute crisis in the European labour market and built on it to create a permanent European Unemployment Reinsurance Scheme.**
6. **Large and inclusive education and training programmes to support and shape the digital revolution, low carbon economy, green transition and towards a feminist Europe.**
7. **Ensure targeted support for women's employment, which has been particularly affected by the crisis.**
8. **Ensure online and offline helplines and support services remain accessible so the most vulnerable groups maintain access to all types of healthcare services (medical, psychological and sexual and reproductive rights) as well as shelters.**
9. **The EU should develop a social recovery strategy that builds upon the European Pillar of Social Rights for a more equal and fairer society.**

# 3. MEASURES TO SUPPORT THE HEALTH SECTOR, SOCIETY AND THE ECONOMY

**T**he IMF estimates that EU countries lose around 3% of GDP per month to this crisis. The Spring 2020 European Commission Economic Forecast projects that the EU's economy will contract by a record 7.5% in 2020 and grow by around 6% in 2021. The economic situation in the euro area is expected to be worse with a 7.75% contraction in 2020 and a 6.25% growth in 2021<sup>2</sup>. Millions of people are at risk of becoming jobless. Women in low-income and precarious, often part-time, employment are particularly vulnerable to a potential economic downturn. There will be thousands of enterprises and SMEs at risk of bankruptcy resulting from huge drop in demand and supply and a downward spiral might follow. The loss of income, the fear of contagion and heightened uncertainty make people spend less. Sectors such as tourism, hospitality, transport,

culture and creative industries, retail shops and many others are being hit severely. This **symmetric crisis** is touching all EU Member States without exceptions but its consequences will be asymmetric. The **economic recovery strategy**, with bold steps to save European economies, will be at the heart of the efforts. It must include a **new Industrial and Innovation policy** to lead the **digital transition** and a **low carbon economy**. Companies saving jobs by going digital and carbon-neutral should be assisted technically and supported financially by a new European industrial and innovation policy. Europe also needs a coordinated fiscal response that can promote social wellbeing, environmental sustainability and economic growth at the same time.

<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_799](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_799)

## 3.1 THE ROLE OF THE STABILITY AND GROWTH PACT

**O**n March 23 the EU finance ministers decided to enact the **general escape clause of the Stability and Growth Pact**. This decision allows Member States to ‘depart from the budgetary requirements that would normally apply, in order to tackle the economic consequences of the pandemic’. For the first time in the history of the Union, budgetary rules have been suspended and the clause activated to address this systemic crisis. Member States are allowed to deviate from their budgetary targets and in turn strengthen support to the health care sectors, society and workers as well as SMEs. This offers much needed fiscal breathing space for the immediate reaction to the crisis at national level. It is important that similar breathing space is made available for regional, local and city authorities to take measures that address the consequences of the crisis. Recovering from the COVID-19 crisis will be a long process but it does not have to be a socially painful one.

The EU should consider:

- **Maintaining the general escape clause** of the SGP for the duration of this Commission’s mandate, to allow for national automatic stabilisers to kick in and for the economy to restart after the shutdown.
- **Budgetary flexibility** should allow Member States to support the public sector and manage their public finances in the best interest of society and the economy and without time constraints.
- Under no circumstances should Member States be forced to enter an Excessive Deficit Procedure due to COVID-19.
- The Eurozone in particular must better **coordinate its fiscal policy on an aggregate level**. Member States with the available fiscal space should invest in their economy and society to uphold domestic internal demand.
- The **‘golden rule’**, whereby national investment is not included in the public deficit calculation, should be implemented without delay and be conditional to lifting the general escape clause. The European Economic Governance must be reviewed according to the new challenges that Member States are facing.
- **The revision of the European Semester** process should take into account the fiscal and financial effects of the COVID-19 crisis, including in the field of state aid and tax policy. The country specific recommendations must include indicators of wellbeing and quality of social protection, and include stimuli for the implementation of the European Green Deal. To help the economy recover, the revision should foresee that deficit and debt budgetary targets are relaxed indefinitely and increased fiscal flexibility is applied. Conditionalities should be linked to social, environmental, digital and democratic standards not macroeconomic indicators.
- National recovery plans must be drafted by governments to ensure national ownership of reforms. They should be based on a renewed European Semester in line with the investment and reform priorities outlined in the European Green Deal, the EU Gender Equality Strategy, the European Pillar of Social Rights, and the UN Sustainable Development Goals and the digital transition. The social, digital and environmental priorities therein should also be the basis of the proposed recovery and resilience facility.

### 3.1.1 SUPPORT FOR BUSINESS AND SMES

• Member States have unilaterally been taking action such as **providing tax reliefs, loan guaranteed, grants and subsidies** to prevent the closing of businesses and SMEs and to keep the economy afloat. This must continue and apply to a wide spectrum of businesses concerned. Complementary to national action, on March 19 the EU granted Member States the flexibility under state aid rules to support the economy, by providing different types of aid:<sup>3</sup>

**1) Direct grants and tax relief** of up to 800,000 euros for companies to address liquidity needs

**2) State aid guarantees to ensure banks** keep providing loans to companies who need them

**3) State grants loans with favourable interest rates** to help businesses cover immediate working capital and investment needs

**4) State safeguards to banks in the form of direct aid to support SMEs**

**5) Short-term export credit insurance** provided by the State where needed.

**6) The framework of state aid measures should be maintained** for as long as is necessary.

**7) The European Commission should ensure that the current temporary framework on state aids will not jeopardise the competition rules.**

### 3.1.2 STATE INTERVENTION AND SELECTIVE NATIONALISATION

Any sort of public support to the private sector, to prevent or circumvent an economic crisis, should come

with clear strings attached. We cannot repeat the mistakes of the past, when banks and the financial sector placed bets against the very states that saved them from bankruptcy. In comparison to the 2008 crisis, **state aid and guarantees should be given with conditionalities**: maintain the employment in each company supported by forbidding dismissals and guaranteeing decent working rights and working conditions, make sure the money is used for the recovery by banning both the payment of dividends and bonuses, and share buybacks for the companies supported with public money. Companies registered in tax havens should not receive any form of state aid support. Large companies receiving public money should implement public country by country reporting and respect the tax obligations. Member States should also refrain from offering support to companies that go against the Union's climate and environmental and gender equality objectives. We support the idea of a **corporate conditionality**, through which, in return for public financial support, **companies commit to maintaining their employment levels**, implementing and developing democracy at work, improving working conditions, increasing the lowest wages, closing gender pay gaps, improving gender parity in decision-making and other measures. A new directive on human rights due diligence and responsible business conduct, covering also supply and subcontracting chains should be put forward. This approach should also be followed when distributing funds from the new Solvency Support Instrument (SSI) in the revised European Commission MFF proposal. Companies receiving support must be required to abide by environmental, social sustainability, as well as taxation standards.

While Spain has nationalised all of the hospitals and healthcare providers in the country in an effort to address the health crisis<sup>4</sup>, other countries have also

<sup>3</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_496](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_496)

<sup>4</sup> <https://www.businessinsider.com/coronavirus-spain-nationalises-private-hospitals-emergency-covid-19-lockdown-2020-3?r=US&IR=T>

stepped up to announce their intention to partially nationalise companies should they continue being attacked in the market. At the time of writing, news reports claim that France has banned short selling that allows investors to bet against the decline in stock value<sup>5</sup>, and Italy is ready to step in and take control of both Alitalia's aviation and land operation, as the 31 May deadline to complete the sale of the loss-making airline is likely to fall through given the tension in the market<sup>6</sup>.

If massive amounts of public money are to be injected into the economy, they should contribute to an equal, fairer and more sustainable economic growth model rather than ending up being confiscated by some happy few when everything is "back to normal". In case of massive support to specific companies, **public authorities should become shareholders of the company** and use this position to push it towards sustainable development and improved social practices, or at least benefit from a share of the future profits of the company.

## 3.2 A EUROPEAN ECONOMIC AND SOCIAL RECOVERY PROGRAMME: FINANCING THE EU'S TRANSITION TO A SUSTAINABLE AND FAIR SOCIETY

**W**hile countries are stepping up their efforts to prevent the spread of COVID-19, to protect their citizens and care for those that have fallen ill, Europe is coordinating the response to this symmetric crisis. The European Central Bank (ECB) reacted quickly by announcing that interest rates will be kept low and that it stands ready to continue its **Outright Monetary Transaction (OMT) Programme** that allows it to buy government bonds. The initiatives taken by Member States and the ECB are necessary and welcome but Europe cannot only rely on monetary policy to go through this crisis. **A large stimulus package** is needed on the fiscal side to balance the efforts at national and EU level.

All Member States are taking extraordinary measures to safeguards the welfare state and the economy, the debt that they will be accumulating because of those measures should be our immediate concern. **This crisis is symmetric** but is hitting different countries in different ways. Common and coordinated EU action is required to overcome the challenges to the economy and to society. By no means should countries fall prey to the financial markets. A European response is necessary to ensure the wellbeing of societies, the sustainability of public finances and **the preservation of the European social model**. This means re-establishing strong welfare state and strong social protection systems. Austerity should by no means be part of Europe's response to this challenge.

<sup>5</sup> <https://www.euractiv.com/section/coronavirus/news/after-declaring-war-on-covid-19-france-readies-measures-to-uphold-economy/>


<sup>6</sup> <https://www.euractiv.com/section/aviation/news/italy-to-bail-out-alitalia-as-covid-19-scares-off-buyers/>

- Ensure that **Cohesion policy remains a key tool** of the European budget. Our commitment to shared prosperity shall be upheld in these difficult times; all regions must be supported by the EU budget, even more so considering the economic outlook.
- The creation of the new REACT-EU initiative is a positive step forward for providing recovery support to those most in need, as well as the sectors hit the hardest by this crisis. Tourism in the EU amounts to 11% of EU GDP and provides 12% of employment within the Union, employing mostly young people. Funds need to be earmarked to ensure the recovery and relaunch of the sector and the protection of employment.
- Reinstate **the budgetary mid-term revision clause**. This is essential to re-evaluate the Unions needs in, what will hopefully be the end of the state of emergency.
- Include new own resources to finance the EU Budget, in line with the European Parliament's Joint Resolution of 17 April. The Council Decision on Own Resources shall be modified in order **to increase the Own Resources ceilings**; political will is necessary in order to speed up the process of approval by national parliaments.
- **New priorities** should be asserted: developing resilient systems of public health, organising the European vital supply chains, re-establishing a fully functioning internal market, stepping up the low carbon transition via digitalisation.
- Special attention should be placed on reviving industries most hit by COVID-19. The challenges faced by the cultural and creative industries are immense. Flexibility should be granted in the Creative Europe programme to ensure that these businesses, that are

deeply rooted in economies, are supported and that they may benefit from the same measures as other SMEs.

- The transport sector must be further supported in its efforts to continue the free flow of goods throughout the crisis and to rebuild the sector based on sustainability and carbon neutrality. This transition must be supported with ambitious research in clean mobility and support for the necessary infrastructure for private and public transport as well as for commercial transport. Support for farmers and fishers must **safeguard EU food security** and ensure that the most deprived have access to high quality food. Rural development funds, as well as ad hoc funds to farmers and livestock producers and cooperatives should be foreseen.
- Support must follow the principle of **gender-sensitive budgeting** to measure the expenditure and resource allocation related to gender equality objectives, such as increased investments to the care sector and in gender responsive public services. More targeted EU funds must be spent on addressing the impact of the crisis on gender equality, such as women's employment, SRHR and gender-based violence.
- If the MFF is not agreed on time, a **safety net in the form of a MFF contingency plan** for the protection of the beneficiaries of the EU programmes and which addresses the Corona emergency must be in place on 1 January 2021.





**" MORE TARGETED EU FUNDS  
MUST BE SPENT ON  
ADDRESSING THE IMPACT OF  
THE CRISIS ON GENDER  
EQUALITY, SUCH AS WOMEN'S  
EMPLOYMENT, SEXUAL AND  
REPRODUCTIVE HEALTH AND  
RIGHTS, AND GENDER-BASED  
VIOLENCE."**

Europe has to **come forward with a bold long-term recovery plan** that will help countries, their workers, their economies and their societies get back on their feet. Investments and a coordinated fiscal policy will be fundamental. In a crisis with a severe impact on people and their lives, social investment is crucial for the resilience of the economy. This next chapter outlines measures that can be put in place to finance the relaunch of the European economy and our transition towards a new socioeconomic paradigm. The EU has been discussing and preparing for an **industrial, a digital and an ecological transition**. There is now a clear momentum to advance the implementation of **the European Pillar of Social Rights, the EU Gender Equality Strategy and the European Green Deal** and further our work in fighting climate change and complying with the objectives outlined in the Paris Agreement. These should serve as compasses to meet the Sustainable Development Goals of the United Nations. The EU will now be called to react quickly to the changing needs of society and the economy. It must stand well equipped to address the changes in work and trade relations, as well as the industrial, innovation and environmental transition that these will entail.

### 3.2.1 THE ROLE OF THE EUROPEAN BUDGET: SUPPORT FROM THE CURRENT MFF

2020 is the last year of the current multiannual financial framework, available resources are limited and therefore not enough to successfully face the COVID-19 crisis. The PES has urged the Commission to take unprecedented action to ensure that all remaining resources in the **current MFF are channeled towards our immediate response to the health, social and economic impacts of the coronavirus pandemic**. To meet this aim, the PES has welcomed the mobilisation of the available resources and the flexibility to adapt

existing funds and tools for this purpose. Following our political pressure, the European Commission has launched an important set of measures:

- The **‘Coronavirus Response Investment Initiative’** (CRII) of 37 billion euros, announced on 18 March and approved by the European Parliament and the Council and in force as of 1 April, was announced as the main community tool to provide funding for three key aspects: spending on healthcare, support to short time work schemes, and support to the SMEs working capital. It will be financed through unused cohesion policy funds.
- The scope of the EU Solidarity Fund was expanded to include public health crisis, which provides an extra 800 million euros.
- Up to 179 million euros are available from the **European Globalisation Adjustment Fund** (EGAF) and can also be used to support dismissed and self-employed workers affected by the crisis.
- Later, on 2 April, the Commission revealed additional measures. The CRII+ builds up on the initial package and it introduces more flexibility to mobilise non-utilised support from the European Structural and Investment Funds. This flexibility is provided for through: transfer possibilities across the three cohesion policy funds (the European Regional Development Fund, European Social Fund and Cohesion Fund). A 100% EU co-financing rate for cohesion policy programmes will be available for the accounting year 2020-2021, thus allowing Member States to benefit for full EU financing for COVID-19 measures. The European Maritime and Fisheries Fund (EMFF) was also reviewed in order to enable a flexible reallocation of funds within the national programmes.



- The CRII+ also changes the rules of the **Fund for European Aid to the Most Deprived**, in order to facilitate support to the most deprived. The distribution of basic assistance will include electronic vouchers (for food and other fundamentals) to reduce the risk of contamination, and the fund may be used to buy protective equipment for those delivering the aid, thus reducing the risk of contagion. The co-financing rate will also increase from 85% to 100% during the COVID-19 crisis.
- 1 billion euros from the **European Fund for Strategic Investments** will serve as a guarantee to the European Investment Fund, part of the European Investment Bank Group. This will be used to issue special guarantees to incentivise banks and other lenders to provide up to 8 billion euros in liquidity to at least 100,000 European SMEs and small mid-cap companies.
- Our political family stressed the importance of mobilising the Global Margin for Commitment (GMC), the Flexibility Instrument (FI) and the Contingency Margin (CM). On 2 April, the Commission proposed to group these funds and made an extra 3 billion euros available, of which 300 million euros will be allocated to **RescEU** and the remaining 2.7 billion euros will go to the **Emergency Support Instrument (ESI)**. With these instruments, the EU will be able to: support the common stockpile of equipment by directly purchasing or procuring emergency support; distribute medical supplies such as masks and respirators; financially support and co-ordinate pressing needs such as the transportation of medical equipment and of patients in cross-border regions; and support the construction of mobile field hospitals.
- Additional voluntary contributions from Member States to reinforce the **Emergency Support Instrument** should be examined.

### 3.2.2 SUPPORT FROM THE MFF 2021-2027

Using all available resources is extremely important to the EU's immediate response to this health crisis, but we must go further than this. The current MFF is a positive, yet insufficient tool for addressing the expected impact of this crisis. It is paramount that the negotiations on the next **MFF for 2021-2027 continue and an agreement is met before 1 January 2021**. The coming MFF must deliver on the political priorities identified with regard to the coronavirus crisis as well as set the ground for a robust recovery keeping in mind a fair green and digital transition. It is imperative that funds are made available and that **MFF projects continue uninterrupted** in 2021 and onwards. In these times of crisis, **budgetary predictability** is crucial. Member States and the end beneficiaries of the MFF need to be able to plan ahead. The European Commission came forward with a revised MFF proposal on 27 May. The revised MFF is interlinked with the proposed EU recovery plan, especially in the field of own resources. The revised European Commission MFF proposal is below the one proposed in 2019. Attention should be paid to agreeing an ambitious MFF that stands firm to support social and economic cohesion and deliver on EU priorities. The MFF for 2021-2027 should:

- Be ambitious and able to respond in the short-run to the challenges that arise from the pandemics and their social and economic consequences.
- The goal of the MFF should be the renewal of the European economy to bring more sustainable growth and welfare to Europe. In terms of the **overall amount**, it should be higher than the European Parliament proposals, in order to fully address unforeseen pandemics and possible future challenges and cuts in the MFF ceilings shall not be accepted. It must allow for full **use of the flexibility** between headings and throughout years.

### 3.2.3 A EUROPEAN RECOVERY FUND

Following the Eurogroup conclusions of 9 April 2020 on Europe's strategy to address the financial challenges of COVID-19, debates have been engaged for the Roadmap and Action Plan for Recovery. The European Commission was mandated to come forward with a proposal for a **European Recovery Fund** to relaunch our economies and promote convergence. The fund could be financed with bonds backed by **EU Budget guarantees** as described in the European Parliament resolution of 17 April. On 27 May the European Commission suggested the creation of a new temporary recovery instrument, namely Next Generation EU with a financial firepower of 750 billion euros, of which 500 billion euros will be distributed in the form of grants and the rest 250 billion euros in the form of loans. The PES Presidency adopted a declaration<sup>7</sup> welcoming the European Commission's proposal that follows the progressive priorities of our political family. The European Commission suggests it will issue bonds with different maturities in capital markets. It will use its good credit score to ensure the lowest average borrowing cost. It will be able to do so by raising the own resource ceilings by 0.6% and with the creation of new own resources. This is a positive sign that Europe is maturing and preparing to take bold action to ensure financing for economic recovery, transformation and political solidarity with the historical experience of the Marshall Plan. Following the pressure of our political family, this proposed instrument will reach out to all 27 EU Members States and be in line with our priorities for a green, digital, social, gender equal and sustainable Europe. It is now up to the European Council to negotiate and agree on an ambitious and progressive European strategy to recover from COVID-19.

**We reiterate that the European strategy to recover from COVID-19 should have the following scope:**

- Support Member States, especially those hit the most by the social and economic effects of COVID-19, to **strengthen their welfare states** and in particular their health care sectors, support the recovery of the real economy and SMEs, ensure the prevention of job loss and the wellbeing of society.
- **Several sectors (such as transport, tourism, hospitality, culture and creative industries)** have been severely affected by this crisis, the business and workers of which will require special long-term support and attention in the next MFF and beyond.
- Fast track the implementation of the **European Green Deal as the new EU economic and sustainability strategy**. Aim at reaching the goals set out in the Paris Agreement on climate change and ensure that the EU becomes full carbon neutral by 2050. Encourage a just carbon-free transition with a robust Just Transition Mechanism and a Just Transition Fund.
- Make sure that funds are made available to promote a **digital transition** for businesses and services as an extra step towards ensuring carbon neutrality. Investing into SMEs that wish to expand their operation in the digital sphere. Put in place widespread and high-quality digital infrastructure to ensure that all citizens have access to high speed affordable internet and own a computer.
- Promote **social wellbeing, equality** and a transition towards a **healthy way of life**.
- Establish gender impact assessment, budgetary targets and a funding tracking system to ensure that the money is spent on improving gender equality.
- Invest in **human capital, lifelong learning and upskilling** with large-scale programmes tailor-made

<sup>7</sup> [https://www.pes.eu/export/sites/default/\\_galleries/Documents-gallery/PES-Presidency-declaration-27-05-2020.pdf\\_2063069299.pdf](https://www.pes.eu/export/sites/default/_galleries/Documents-gallery/PES-Presidency-declaration-27-05-2020.pdf_2063069299.pdf)

for different target-groups.

- **Investment, both public and private, must drive this process**, with a renewed industrial and innovation policy. Promote a sustainable European industrial transformation towards self-sufficiency. Europe must utilise its industrial base to ensure that the supply of resources and products for strategic industries are available and open to all Member States in the framework of the European single market

- Vital European **supply chains** must be rebuilt, strategic companies saved and strategic assets protected. The proposed Strategic Investment Facility needs to ensure that a level playing field in the Single Market is respected

- Build **global partnership and promote multilateralism** on health to ensure global exchanges of information on health emergencies. Push for a global humanitarian rescue plan to help countries that lack national capacities, funds or medical personnel to address this challenge.

**This recovery strategy should have a European Fund with the following functionality:**

- It will be financed through **common debt issuance** during a limited period of time, without the sharing of past Member States' debt. The bonds should be issued by a European institution, preferably the European Commission, and follow the community method. National liabilities and responsibilities must be clearly defined.
- It will be embedded in the European Budget with a special focus on using the own resources ceilings and with the creation of new own resources. It must follow

the European community framework, particularly in order to safeguard democratic accountability by the European Parliament.

- The European Recovery Fund should support action at European level in all Member States through:

- **Community Programmes**, especially via structural and cohesion funds, dealing particularly with the objectives of health, research, digital and environmental transformation, supporting SMEs, jobs and skills advancement.

- The proposed Solvency Support Instrument and Strategic Investment facility to secure strategic assets and companies and reorganise European supply chains supporting existing capacities in all Member States. The Single Market must not be taken over by extra-EU companies.

- **Provision of extra loans** to companies on the condition they will fully comply with their tax obligations. This will be particularly important to make sure that national budgets will count with the necessary revenues to support recovery and transformation at national level.

- The level of social and economic damage caused by COVID-19 on a country should determine the level of its allocation. The provision of grants is vital to a swift economic and social recovery. Many of the affected Member States lack the fiscal firepower to respond to the economic downturn; providing loans will prove to be insufficient in cases where public debt is already high. It is in our common best interest that all countries are able to successfully recover from the COVID-19 impact.

- Repayments should have **long maturities** and be linked to socio-economic and environmental indicators.

### 3.2.4 FURTHER EUROPEAN FINANCIAL SUPPORT

The extraordinary measures that Member States have taken will inevitably have an impact on their public

finances. EU finance ministers are looking into different options for addressing the challenges that their economies are facing as well as financing their future budgetary needs<sup>8</sup>. The ministers have been focusing on options offered within the European Stability Mechanism's (ESM) mandate as a solution that can be implemented quickly.

The building of the European Central Bank (ECB) in Frankfurt



<sup>8</sup> <https://www.consilium.europa.eu/en/press/press-releases/2020/03/24/remarks-by-mario-centeno-following-the-eurogroup-meeting-of-24-march-2020/>

### a) The role of the ECB

On 18 March the ECB announced the launch of the **Pandemic Emergency Purchase Programme (PEPP)**, which complemented its previous announcement of a new targeted longer-term refinancing operations (TLTRO), a new 120 billion euros tranche of asset purchases and temporary capital and operational relief for banks. On 4 June the envelope for PEPP was increased by 600 billion euros to a total of 1,350 billion euros and extended to June 2021, this is already substantial, but it can be further increased and its composition can be adjusted “by as much as necessary and for as long as needed”.

- The ECB initiatives are significant and positive, they offer the possibility of responding flexibly to tensions on the **sovereign bond market**, while providing a backstop to the Member States’ immediate relief effort.
- The ECB must stand ready **to continue its bond buying programme and should maintain its interest rates low or below zero** for a significant amount of time well beyond the duration of the COVID-19 crisis. Financial liquidity needs to be safeguarded as national bank guarantees are increasingly being used to cover for the implementation of support measures on the ground. The ECB’s support is paramount for ensuring financial stability.
- Additionally, the ECB should consider the option of **helicopter money** to address sharp falls in economic activity and in support of the welfare state’s sustainability.

### b) The role of the ESM

The Eurogroup on 9 April<sup>9</sup> concluded that the **Pandemic Crisis Support instrument** (240 billion euros) would be granted through the existing ESM

**Enhanced Conditions Credit Line (ECCL)**. The decision allows all EU Member States to apply individually for this ESM credit line, their credit request can be up to 2% of their respective GDP (or higher in some situations). Non eurozone Member States can receive financial support through the Balance of Payments Facility. This instrument shall be available until the COVID-19 crisis is over. The use of the ECCL provides a flexible and fast to implement solution for addressing the immediate health and economic costs of the crisis. However, we should recall that:

- The ESM has a firepower of only 410 billion euros and the agreed **Pandemic Crisis Support** is limited to 240 billion euros, which will drastically hinder the ability of the ESM to help all countries overcome the crisis.
- **Macroeconomic conditionality** should not be coupled with the provisions of ESM ECCL loans.
- Austerity should not be part of the EU Recovery Plan. The ESM governing bodies as well as the European institutions should make sure that **social sustainability and financial stability are safeguarded**. The ECCL credit line should not have any pre-qualification conditions (such as to have a sustainable general government debt and structural reforms). Nor should it become available with follow-up harsh **fiscal surveillance frameworks**. This is not the time for fiscal tightening.
- ECCL loans should enjoy **long maturities**, preferably well beyond the duration of this crisis, and should keep interest very low to make refinancing sustainable. Repayments should be linked to the Member States recovery rates.

<sup>9</sup> <https://www.consilium.europa.eu/en/press/press-releases/2020/04/09/report-on-the-comprehensive-economic-policy-response-to-the-covid-19-pandemic/>

- It should be made clear that the **ECB can continue to directly buy government bonds** under the OMT programme (Outright Monetary Transaction) during the course of loan provisions.

### c) The role of the EIB

On Monday, 16 March, the **European Investment Bank Group** announced measures that will mobilise up to **40 billion euros for the impacted SMEs**. Although this measure was well received more can be done from the EIB to mitigate the effects of this health crisis. There can be a sizeable reduction of social risks should the EIB commit to financing the digital and environmental transition.

- The EIB also announced the creation of a **pan-European Guarantee Scheme** worth 25 billion euros that could leverage 200 billion euros for SMEs, Midcaps and corporates and entrepreneurs. We call on the EIB to quickly enact this instrument.
- More synergies have to be explored between the EIB, **national promotional banks, commercial banks and governments to provide emergency assistance to the sectors and business** hit by the crisis. Financing should reach SMEs and in particular micro-enterprises with limited access to funds.
- The EIB should look into **financing research projects** directly related to the development of treatment and vaccines related to COVID-19. Currently the EIB has projects in health sector of around 5 billion euros. More funding should be dedicated to the health sector upon request on a fast-track process.
- Additionally, **the EIB should be empowered** and come forward with sizeable investment fund of fresh capital or a new credit line to help the real economy, with low co-financing rates.

### d) Financing the European Recovery Pact

As proposed by the European Commission, the European Recovery Fund will operate through the institutional framework of the EU budget creating the necessary additional budgetary capacity to respond specifically to the COVID-19 crisis. The Recovery Fund can be financed without requiring higher national contributions for the EU budget if new sources of taxation are defined and the ceiling of European own resources is raised.

Furthermore, as already shown by the use of the Treaty-based instrument EFSM, the spending possibilities of this Recovery Fund can be frontloaded and expanded by the European Commission borrowing in the markets with very good conditions, thanks to its high financial rating. Any such bonds mechanism must define clearly national responsibilities and liabilities. They should be targeted to **only cover investments for coronavirus crisis specific spending**, for example national financial support for the prevention of job losses, the sustainability of the health sector, financial support to SMEs and for the unemployed. The bonds would not cover past government debt.

This EU borrowing capacity will be stronger if it is backed by ECB as lender of last resort as well as by the new European own resources to be created. We need to send a **strong signal to the financial markets** and our international partners that the EU can live up to the current challenge responsibly. Finally, **conditionalities** linked to the disbursement of financing should be linked to **indicators of social progress and prevent job destruction**. They should **be in line with the European Green Deal and the industrial strategy** put forward by the European Commission. Member States should not be tricked into implementing austerity structural reforms, especially when those lead to job dismissals.

## 3.3 FAIR TAXATION AND NEW EUROPEAN OWN RESOURCES

Europe should secure funding for its economic recovery plan through a fair tax agenda. A just taxation system should aim at a fair and proportionate redistributive system with a top down approach. To ensure just tax systems, the **PES has been leading the fight against tax evasion, tax avoidance and tax fraud** and has been calling for measures to prevent downward tax competition between Member States. It is imperative that, in these times of crisis, we continue our efforts to close down all tax loopholes, to prevent profit shifting, promote public country by country reporting, and **shut down tax havens**. One country's success must not be detrimental to its neighbours. Moreover, the need to address the evolution of our economic and industrial models means that our tax systems should equally evolve towards a framework that fosters social and environmental sustainability. The EU should without delay consider:

- A **minimum corporate tax rate**, especially for multinational enterprises (MNEs). Work on the subject is currently undergoing at OECD level which seeks to address the operation of large corporations and especially those operating in the digital sphere. Should the discussions at OECD level prove inconclusive the EU should come forward with its own proposal, ideally setting the floor of the minimum corporate effective tax rate at 18%.
- A minimum corporate tax rate should be complemented with a **Common Corporate Consolidated Tax Base (CCCTB)** for MNEs across the EU. The existing CCCTB proposal should be implemented immediately, skipping the two-phase approach and the tax base should cover the

company's labour, asset and sales.

- Moreover, a **common corporate contribution, a single market levy**, should be implemented charging large corporates for the use of our internal market. The levy is based on the profit principle and can serve as an own resource. Multinational corporates have benefitted for decades from the EU's single market, but have until now not been asked to contribute to its maintenance. With the single market under increased pressure due to the economic impact of the COVID-19 crisis, it is time that large multinational corporates are charged an appropriate fee.
- A **downward fiscal spiral generated due to tax competition** must be effectively avoided. Fiscal and social dumping should no longer be overlooked. Tax systems must be well equilibrated, promote wealth redistribution, and support the viability of our welfare states and our European social model.
- Implementing tax transparency policies, in particular **public country by country reporting (pCBCR)**, in order to shed a light on profit shifting, tax planning and order avoidance schemes, thus preventing a distortion of the Single Market.
- The implementation of the enhanced cooperation for the **Financial Transaction Tax (FTT)**, so that the financial sector starts contributing to the real economy, with a partial allocation towards the EU budget as an own resource.



- The implementation of the European Green Deal with new coordinated taxes, such as the **kerosene tax** and **industrial waste tax**, but also the introduction of a **carbon border adjustment mechanism** to ensure a level playing field for companies operating in the Single Market and further incentivising the transition to carbon-neutrality beyond the EU's borders. We need tax systems that establish the polluter pays principle and favour a transition towards a sustainable economy.
- Building on the examples from our past, it is time to discuss an EU-wide **wealth tax** with a partial allocation to the EU budget. Taxing accumulated wealth was suggested in the IMF<sup>10</sup> briefing note about tax policies to deal with the COVID-19 crisis. It is becoming clearer that we need this tool in order to reduce rising inequalities and ensure that the European Union has the financial means to successfully recover from the pandemic and relaunch its economy and global competitiveness. Further taxes can be applied on income generated through capital and real estate gains.
- Creating fair **European taxes** is key for the future of Europe. These would not put the burden on working people and the middle class, and could be leveraged to provide repayments for a true European bond that would finance the investment projects of the European budget. GNI contributions would then be gradually phased out and Europe would be issuing an EU bond worthy of its size, freed from moral hazard concerns.

## EU FLAGSHIP MEASURES

1. Full use of flexibility in the Stability and Growth Pact to allow countries to support their health sectors, their society and their economy.
2. Provision of direct grants and tax advantages for SMEs to address their liquidity needs.
3. Provision of state guarantees to ensure that banks keep providing credit to SMEs.
4. Possibility for Member States to buy equity and become shareholder of essential businesses to save jobs and vital activities.
5. Full use of the current EU Budget framework, including the creation of a Recovery Fund to respond to the COVID-19 crisis strengthening the health sector, economic and social cohesion and forward-looking investments.
6. European financial assistance, including with new instruments, subject to the principles of transparency, sustainability, solidarity, equality and fair taxation.
7. Creating fair European taxes, through new own resources, is necessary to ensure that Europe can issue bonds on a sustainable and fair manner.

<sup>10</sup> IMF, 2020, Special Series on Fiscal Policies to Respond to COVID-19, "Tax Issues: An Overview"

# 4. THE ROLE OF THE GREEN AND DIGITAL TRANSITIONS

Some voices have been quick to demand a moratorium on the ecological transition. This is the wrong perspective on fighting the COVID-19 impact. Instead, **many measures outlined within the framework of the European Green Deal offer direct benefits to the economic recovery and the socio-economic convergence within the European Union.** The European Green Deal as the new EU growth and jobs strategy must now be accelerated more than ever. Likewise, the digital transition will not stop because of the COVID-19 crisis, but must be on the contrary built into the very fabric of our recovery strategy. Ensuring the green and digital transitions goes beyond strengthening environmental sustainability and digital innovation, these transitions constitute major drivers of job creation now and in the future.

**Transforming our economy towards sustainability is not an additional burden, it is an additional tool in combatting the economic and social effects of COVID-19.** And with the right framing, the digital revolution can further reinforce the social, economic, and ecological transformation that we want to drive. This is an opportunity to promote a healthier framework for societies and our planet. The Green Deal is not only about the ecological transition – it is in equal part about strengthening social sustainability and fairness through the transformations that lay ahead of our societies.

# A STRONG JUST TRANSITION FUND AND MECHANISM WITH NEW, ADDITIONAL FUNDING MUST ACCELERATE THE SOCIALLY FAIR TRANSITION TO A CARBON-NEUTRAL ECONOMY



This is why, beyond the European Green Deal, the funding now made available has to be invested in a way that makes the recovery resilient, building the carbon-neutral economy of the future instead of investing into an economy that relies on fossil fuels. As such, all funds from the recovery plan should adhere to the “do no harm” principle, indicating funding does not cause harm to people or planet. The EU Climate Law, equipped with ambitious interim targets for 2030 and 2040 must be part of this transformation. The digitalisation of our societies has transformed the way we behave and work, and has proven an invaluable tool during the crisis. It has allowed information to flow unhindered, could help trace and limit the spread of coronavirus, and has allowed whole sectors of the economy and society to continue functioning in ways that would have been otherwise impossible. It has showed us how in certain sectors, we can individually and collectively reduce our carbon footprint without harming our productivity.

Getting the recovery right therefore means to accelerate the just transition of the EU's economy and society, focussing more on the agendas of a just digital agenda, of the European Green Deal, the Paris Agreement and the UN's Sustainable Development Goals, not less. Adding a clear “just transition” dimension to the new funding now made available to revive the European economy and strengthen environmental protection including biodiversity in line with the new European Commission's biodiversity strategy remains crucial in this process. The following steps are therefore essential to create fair and more equal societies within an economy that is built on sustainability and crisis-resilience:

- A **strong Just Transition Fund and Mechanism** with new, additional funding must accelerate the socially fair transition to a carbon-neutral economy in those

regions most dependent on fossil fuels and therefore most affected by the transition. It is crucial that the funding of the recovery is directed towards sustainable alternatives. This means supporting economic activities that are greener and offer long-term quality jobs instead of maintaining polluting industries which will not be able to survive in the near future. This also means supporting the regions and sectors that will be hit most directly by this transformation.

- A **well-equipped Renovation Wave**, to fund affordable, energy-efficient housing for all. This measure can stimulate growth throughout the regions and cities and provide employment opportunities, while simultaneously providing better housing, lower heating-costs and consequently a lower energy-demand. Investments in the housing stock with a strong social component is overdue, now with the need for investments into the local economy being even higher, the Renovation Wave is even more important and can bring the benefits of the transition to carbon-neutrality directly to workers, local businesses and most of all, tenants and homeowners.

- Strong support for the **transition to a Circular Economy** can likewise bring innovation and new, sustainable business models the certainty and opportunities needed to thrive in the economy of the future. Resources are finite and letting less of them go to waste means to lower dependency and build-up economic resilience, opening up new sectors like refurbishment, repair and recycling and creating jobs everywhere in the European Union.

- The transport sector has been particularly affected by COVID-19 as well as the need to transition to carbon-neutrality to comply with the Paris Agreement. The state-aid and bailouts necessary in response to the crisis must include conditionality to safeguard jobs

in the sector and commit it to stronger efforts in the reduction of greenhouse gasses, especially in the aviation and maritime sector. A kerosene tax can provide funding for this transition while also setting the right incentives for the sector to innovate. Reinforcing a **strong focus on social and environmental criteria in public investment decisions** is crucial. While many actors now rightfully do their best to limit the impact of the economic crisis, it is important not to lose track of the many criteria, prioritising those investment opportunities that benefit more equal and more sustainable societies. This is why instruments like InvestEU but also **structural funds** such as the CAP, the CFP, cohesion funds and the future recovery fund **need to take into account the impact on sustainability and equality when funding is made available**.

- The socially inclusive just transition towards climate neutrality, as announced by the European Commission, needs to go ahead. This paradigm shift is essential for addressing the current crisis and preparing the European Union for upcoming ones. **The European Green Deal offers a broad width of measures targeted at fostering sustainable growth. This agenda needs to continue. The new funding now mobilised to combat the impact of the COVID-19 crisis offers the chance to accelerate this transition.**

- The crisis has showed the power of the digital world, allowing millions to keep working, producing, studying, and staying informed. But it has also showed the limits of an unbalanced digital world. The inequality between a household with one computer for each family member and unlimited internet access, compared to a household without a computer or access to the internet has been brought to the light in this crisis. Universal access must be therefore one of our key priorities. Digitalisation is not good or bad,

black and white. It can improve dramatically things such as work-life balance, inequalities, and the lives of the most vulnerable; or it can wreak havoc on work-life balance, inequalities and the lives of the most vulnerable. It all depends on how our societies intervene – or not – to put in place the necessary rules and frameworks for a just and fair digital transition. The recovery after COVID-19 must be the moment when our political family fights to put them in place.

### KEY PES DEMANDS

1. **The Green Deal, combining social and environmental sustainability must be the basis of our recovery efforts.**
2. **Support the Just Transition Fund and Mechanism.**
3. **Support the transition to a circular economy, and the Renovation Wave.**
4. **European public investment must put social and environmental criteria at its core.**
5. **Using the opportunities offered by the digital revolution to reinforce the recovery towards a socially and environmentally balanced future.**





# 5. PROTECTING DEMOCRACY

**D**emocracy, the Rule of Law and the respect of fundamental rights are solid foundations of the European project. These values must be protected and promoted regardless of the hardships caused by any economic or, such is the case today, health crisis. A community built on democracy, freedom of expression and Rule of Law cannot be complacent if any of its own members begins to overlook and actively challenge these principles. Our political family understands that our Union is confronted with an unprecedented situation which requires unprecedented measures.

- **Any extraordinary action** on behalf of governments in Member States **must be proportionate, subject to clear rules, a constitutional framework, parliamentary scrutiny and respectful of the fundamental values of citizens.**

- In the name of “protecting citizens”, **we cannot allow COVID-19 to affect the EU’s fundamental democratic values, its freedom of expression or the Rule of Law.** We must take **urgent and strong actions** in order **to end the practice of using COVID-19 as a pretext to kill democratic accountability** and shift towards illiberal democracies and authoritarianism.

- **Political regimes are exploiting the crisis** in order to strengthen power and further restrict human rights, and undermine the Rule of Law and democracy. The actions undertaken by the government of Hungary, particularly giving itself power to rule by decree indefinitely, while also curbing the freedom of expression, and restricting the rights of the LGBTI community, cannot be tolerated. Similarly, the aim of Poland’s conservative government to organise presidential elections without the necessary conditions to safeguard public health and equal conditions for campaigning, together with its intention to ban the rights to abortion and sexual education **must be severely condemned by the European Union. It is fundamental that the European Union takes all the necessary actions to hold these governments accountable.**

- We must take **urgent and strong actions** in order **to end the practice of using COVID-19 as a pretext to kill democratic accountability** and shift towards illiberal democracies and authoritarianism.

- We need a unified answer to this challenge and to strengthen our efforts to ensure governmental actions

are in line with European values and Rule of Law standards. The European Commission should evaluate the impact of national emergency measures on Rule of Law and share their conclusions. This practice is particularly crucial during times of crisis, but such a methodology should also be included in a future Rule of Law mechanism that prevents power grabs and abuses.

- Furthermore, the Commission should prepare a monitoring instrument on media freedom, with clear standards and benchmarks, to ensure that these are able to freely conduct their fundamental scrutiny of political power and activity. There is no healthy democracy without quality media, journalism and freedom of expression.

- **In case of non-compliance with fundamental values, it is paramount that the European Union makes use of sanctions,** including budgetary, to address all democratic breaches – as provided for in the treaties.

- It is important to ensure, **once public health factors allow the return to a fully functioning Schengen Area.** The EU and Member States must coordinate their actions in order to guarantee the free movement of citizens and goods while ensuring that internal border controls do not get prolonged beyond reason.

- People seeking international protection must not be denied of their rights. We need to ensure continued access to the EU territory and asylum procedures. Governments must not exploit a crisis situation to suspend rights.



- **No Member States can be allowed to infringe on human rights standards, including workers' and trade unions' rights**, such as reducing wages and protections of workers, or undermining collective agreements and social dialogue. It is necessary that the European Commission takes actions to ensure that the measures taken and/or envisaged by Member States do not have negative consequences in those areas.

- In addition, the potential of digital tools to monitor and effectively contain the spread of COVID-19 (and similar public health threats) must not come at the expense of personal data privacy. The European Union has led the regulatory efforts to **ensure that civil rights are upheld** – and that must not be undermined by the circumstances. Emerging contact-tracing applications on mobile devices must be **anonymised and completely transparent for the users** and must not lead to data storage in centralised databanks.

#### KEY PES DEMANDS

1. Full respect of the Rule of Law and fundamental values.
2. Non respect of those must be met with consequences and sanctions.
3. Any extraordinary action must be proportional and subject to democratic controls and scrutiny.
4. Women's rights and LGBTI rights must be respected.
5. Worker and trade union rights must be respected.

# 6. THE INTERNATIONAL DIMENSION OF THE RECOVERY

**W**ith the Coronavirus pandemic the entire world is facing a once-in-a-millennium challenge. The social, economic, and environmental effects of this crisis are only beginning. The ILO<sup>11</sup> reports that around 68% of the world's total workforce are currently living in countries with recommended or required workplace closures, these measures have a direct negative impact on their income. Poverty is expected to increase by almost 34% globally for informal workers. While an imminent global recession is lurking with 436 million enterprises worldwide are operating in sectors such as manufacturing, accommodation, food and services, wholesale and retail trade, that have been hit the most by COVID-19. These numbers are alarming, without determined government and international action, the crisis will have catastrophic consequences for the future of humanity, for our health, for our prosperity, for our peace and stability, and especially for the prospects of our young generations not just in Europe but in every continent. **To prepare for the exit from the crisis, the PES calls for a global, multilateral and coordinated response, founded on human solidarity.** Now is not the time for nations to act alone or to think only of their own people. This global catastrophe requires global solutions. It requires nations to work together, more than ever before.

<sup>11</sup> [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_743146.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_743146.pdf)

## 6.1 PROTECTING MULTILATERALISM AND THE INTERNATIONAL SYSTEM

- As a global player, **the EU must act in order to preserve, reinforce and strengthen a rule-based multilateralism capable of fighting the virus and dealing with its consequences.** The PES stresses the need to fight for a lasting socio-economic recovery globally, especially in the most vulnerable countries and especially in those least equipped to protect their people. To do this, the EU should work closely with the United Nations, the international financial institutions, the WHO, the G7 and the G20. **The EU should intensify international cooperation among scientists, economists, policy-makers and humanitarian and development actors as one of the key measures to win against the virus.**

- The pandemic will have serious short and long-term consequences on the global economy and on trade. **The PES backs the decision of the EU to protect its strategic assets and calls on the EU to ensure its strategic autonomy from health to technological products.** At the same time, **the EU must relaunch rules-based trade exchanges and work to build a fair and sustainable globalisation.**



## 6.2 INTERNATIONAL SOLIDARITY AND DEMOCRACY

- The PES stresses the **utmost importance of support to third countries by the EU**, and its Member States particularly in our neighbourhood, from the Western Balkans to Africa, assisting partners with the humanitarian, health, social and economic consequences of the crisis. Both in terms of short-term needs and longer-term structural effects. On this, **the PES supports the call by the African Union for a powerful stimulus package for Africa including deferred debt and interest payments**. Such a stimulus can only be a win-win for both sides and for the world. The PES stresses that the Comprehensive Strategy with Africa is even more important today and asks for greater support to Africa in the fight against the coronavirus. The PES supports the call for global ceasefire in all corners of the world made by the United Nations Secretary General Antonio Guterres.

- **The COVID-19 crisis puts democracy and the Rule of Law at risk when authoritarian governments abuse emergency measures** relating to the pandemic situation. More than ever, there is a battle between the truth and the spread of fake news and disinformation. This is a struggle which will have profound consequences for the geopolitical landscape after the crisis. COVID-19 should not be used as an excuse to push authoritarian agendas. Populist and authoritarian leaders are ignoring recommendations from health

officials putting at risk the lives of many citizens. We must not be complacent. **The PES is convinced of the need of a long-term policy to increase resilience at the global level and to support and strengthen democratic institutions, multilateral agencies, and human rights and civil liberties in the EU and around the world.**

### KEY PES DEMANDS FOR THE INTERNATIONAL DIMENSION

1. **A global, multilateral and coordinated response, founded on human solidarity.**
2. **Preserve, reinforce and strengthen a rule-based multilateralism.**
3. **Intensify international cooperation to fight the COVID-19 virus.**
4. **The EU must protect its strategic assets, in a rules-based trade system.**
5. **Support third countries, including by deferring debt and interest payments for Africa.**
6. **Support democratic institutions, multilateral agencies, and human rights and civil liberties in the EU and around the world.**

# 7. CONCLUSION

**T**he burden of the COVID-19 crisis should not fall on Member States, citizens, or SMEs. This symmetric crisis is not their fault. **Many European countries have just barely recovered from the economic crisis of 2008.** It took Europe a decade to turn the corner and calculate positive growth. Timid signs of economic recovery were only just starting to show. COVID-19 should not throw Europe back to recession mode or worse. Common and coordinated action is key to overcome this symmetric shock, the magnitude of which is still too early to calculate.

**Saving lives is our first and outmost concern.** Keeping our healthcare and care sectors afloat is the immediate focus. **All people working in the health sector should be protected,** supply chains should remain open, and Europe should seek to ensure that sufficient supply of essential material and information is available to all.

**Saving jobs is our natural reflex.** We need to make sure that **massive and aggressive dismissals are avoided** and that the millions of people have been pushed to partial unemployment receive proper **social benefits and protection.** The effort to put in place an **unemployment reinsurance mechanism (SURE)** to complement national unemployment benefits systems, as initiated by Commissioners Nicolas Schmit and Paolo Gentiloni, is welcome. SURE is a good first step towards **permanent unemployment reinsurance instrument** with adequate financial resources available to all.

The first to react to this crisis have been the Member States. Extraordinary spending of billions of euros have been deployed to keep the health sector, the economy and society afloat. While people, SMEs and companies have been advised to shutdown, the state has been the main guarantor: **taking action to sustain people's living standards and prevent SMEs from going bankrupt**. In these times of crisis, **the importance of the role and size of the state is clear**. Proponents of austerity that urged for the shrinking of the public sector have been proven wrong once again. Citizens need a strong welfare state with fiscal space to react to crises. **Austerity should by no means be a reaction to this crisis.**

Europe should stand ready to use all tools in its toolbox to ensure the viability of public finances and the **promotion of an economic recovery that is sustainable, social and gender-just**. The ECB's efforts have been tremendous in this effort: **maintaining liquidity, keeping interest rates low or even negative and continuing with the government bond buying programme**, must be the strategy for the long-term future. The EU needs to rise up to these challenging times with bold action, **the EIB needs to be recapitalised** and focus on investing in the real economy and the health research; the **ESM has to be deployed to offer cheap and unconditional loans** to all Member States; the **MFF with new own resources** needs to be agreed without delay so that projects and programmes continue uninterrupted. But most importantly the EU needs to address the elephant in

the room. Government debt is rising because lives need to be saved, salaries need to be maintained and business have to reopen. **The EU must consider the issuance of bonds to help finance this crisis and the day after.**

Looking to the future, Europe needs to be proactive. The Eurogroup on 10 April committed to coming forward with a **Recovery Fund to support the future economic recovery steps**. This fund should go beyond the MFF budget lines, **be long-term and promote inclusive growth**. The Eurogroup also committed to work on a Recover Roadmap and a Recovery Action Plan. This exercise should be ambitious and long term. It should be set in line with the **European Green Deal and focus on investing in human capital and SMEs going through a digital transition, as well as matching the objectives of the EU Gender Equality Strategy**. A sustainable economic and social growth strategy aiming at bridging current inequalities and **promoting upward social and economic convergence** should be the driver behind this plan that should involve all European institutions. Emphasis needs to be given to European industry and its capacity to cater for the EU as a whole. This is the time for immediate reaction but also deep reflection about Europe's future. **Democracy should not be held hostage** in the middle of a health crisis. Europe must safeguard its fundamental values and freedoms. More than ever Europe needs to show unity and solidarity to live up to its esteemed social model.

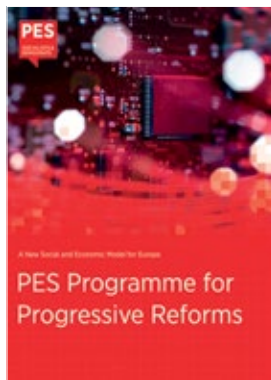






# PES PUBLICATIONS

May 2016



July 2017



September 2017



October 2018



November 2018



October 2018



June 2020



July 2020



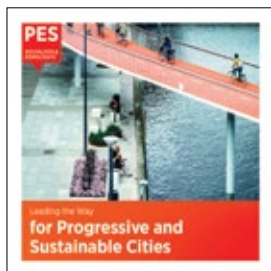
September 2020



January 2021



February 2021



April 2021



June 2021



Also here:

[www.pes.eu/en/news-events/events/pes-brochures](https://www.pes.eu/en/news-events/events/pes-brochures)

Available in English, French, German and Spanish





For any questions about or policies on wellbeing,  
please contact Elli Chrysanthakopoulou:  
[elli.chrysanthakopoulou@pes.eu](mailto:elli.chrysanthakopoulou@pes.eu)

Follow us on  
[www.pes.eu](http://www.pes.eu)  
[www.facebook.com/pes.pse](https://www.facebook.com/pes.pse)  
[www.twitter.com/pes\\_pse](https://www.twitter.com/pes_pse)  
[www.instagram.com/pes\\_pse](https://www.instagram.com/pes_pse)

Party of European Socialists (PES)  
10-12 Rue Guimard  
1040 Brussels  
Belgium  
T +32 2 548 90 80  
[info@pes.eu](mailto:info@pes.eu)

This publication received financial support of the European Parliament. Sole liability rests with the author and the European Parliament is not responsible for any use that may be made of the information contained therein. This Brochure was printed on a recycled paper with environmentally safe water-based inks.

July 2020

AISBL-BBCE-N 0897.208-032