



PES Presidency Declaration:

Saving lives, saving jobs - PES strategy to contain and recover from the COVID-19 crisis

Adopted by the PES Presidency on 25 June 2020

Three 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 PM 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

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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 stabilizer 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. 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, strengthen our democracy, and 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 from 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 evasions, 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 with legally binding target, and equal Europe, 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 pandemic. 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, build resilience against any future threats and strive to deliver to each European access to high quality and affordable health and care services. The EU must be 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 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 inequalities go hand in hand with the ecological transformation in Development Aid. The pandemic will have serious short and long-term consequences on 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 put solidarity, human rights and democratic decision-making at the forefront, and work to build a fair and sustainable globalisation. During the covid19 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 the 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 well-being.

The COVID-19 crisis has shown that the EU is a political project, a project that places solidarity between countries, regions and people at 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.