



## Supporting Green Deal Industries for Quality European Jobs

*Adopted by the PES Presidency on 9 February 2023*

Dramatic rises in energy costs driven by escalating fossil fuel prices, supply chain distortions, and the emergence of proactive reshoring plans in the USA – the Inflation Reduction Act – and China, are giving European manufacturers growing incentives to relocate abroad, harming workers, our social market economy, and our ability to deliver the objectives of the **European Green Deal**.

The Party of European Socialists therefore urges immediate action to strengthen our industry and specifically our green industrial fabric in the face of difficult global headwinds. All initiatives at EU level including the Green Deal Industrial Plan recently announced by the European Commission and the upcoming Net-Zero Industry Act must be based on the six principles of **sustainability, fairness, flexibility, sovereignty, solidarity, and conditionality** to ensure social inclusion and territorial cohesion.

**Sustainability.** The EU faces a significant funding gap to reach its climate targets. We need to increase public and private investment into research and innovation, and production in key industries and sectors, such as wind turbines, solar panels, batteries, heat pumps, electrolysers, carbon capture and storage technologies, green hydrogen and electric vehicles. This is essential to meet the European Green Deal objectives, provide homes and businesses with clean and affordable energy and lead the world in climate action.

**Fairness.** After 30 years, the Single Market continues to underpin the economic competitiveness of our 27 national economies on the global stage. As we respond to unfair practices outside its borders, we must strive to defend its integrity from an intra-EU subsidy race. Flexibility must not give an indefinite blank cheque to all forms of state aid.

**Flexibility.** The EU state aid rules must be reformed to better account for the challenges of global competition. In addition, we must ensure the promotion of quality public investments in the revision of the EU's economic governance rules.

**Sovereignty.** We are increasingly dependent on global supply chains for clean technologies. The last two years have shown us how fragile these supply chains can be. Making our supply chains more resilient should also be an opportunity to make them more ecologically and socially sustainable. We therefore support EU-wide horizontal and sectoral supply chain due diligence rules. We must equip all Member States with the tools to support their industries and their ability to operate despite the limitations of these chains.

**Solidarity.** Flexibility must be accompanied by new European joint instruments that empower every Member State to provide equivalent levels of support, building on the success and targeted investments of the Recovery and Resilience Facility and National Recovery Plans. Alternative models to quickly mobilise fresh funds, such as the SURE instrument, could be explored.

**Conditionality.** Support to our industry must go hand-in-hand with a strict level of social conditionality and public procurements to ensure the protection and promotion of quality jobs, strong workers' rights and collective bargaining. Public support to any industry must be conditional on the respect for trade union rights, the protection of jobs and working conditions



throughout the supply chains, high-quality (re)skilling, progress on gender equality and women's participation. Dividend payments, investments in fossil fuels and foreign relocation must be banned for companies receiving public support.

Together with our socialist and social-democratic governments, commissioners, and the S&D Group in the European Parliament, the PES will continue to strive for Europe to remain a cutting-edge industrial power playing its part in the Green Industrial Revolution.