



PES on SOTEU: Europe's strength must deliver security and social progress

Today's State of the Union address acknowledged the scale of the challenges facing Europe. But announcements alone will not make Europe stronger. Security and competitiveness must go hand in hand with social progress, climate action, democratic consistency, and the common investment needed to deliver.

The State of the Union address did not give sufficient answers to the pressures facing Europeans in their daily lives. The cost-of-living crisis, fair wages and the investment needed for housing, care and the green transition received far less attention than their urgency demands. Saying that "people will always come first" is not enough. That commitment should be demonstrated through concrete political choices and investment.

While ordinary people struggle with the cost of living, surge of energy prices cannot come as an opportunity for big corporations. The speech lacks a credible agenda for **tax fairness**. It offers no proposal to address the windfall profits generated in times of crises, even as high energy prices continue to place a heavy burden on households and businesses. The PES supports a European framework to recover windfall corporate profits generated in times of crisis and prevent speculation, including through windfall profit taxation.

PES President **Stefan Löfven** said:

"Europe must be strong to protect its people and fair enough to improve their lives. European strength cannot be measured only in terms of defence capabilities, industrial power or global influence. It must also be measured by whether people can afford a home, earn a decent wage, access quality public services and face the future with confidence.

The commitments on quality jobs, affordable housing, care, climate action, and the European Pillar of Social Rights are important. Progressives have consistently pushed these priorities onto the European agenda. We will now work to ensure that they lead to ambitious legislation and concrete results for people across Europe.

For us, competitiveness is a political objective, not a mandate for deregulation. Europe needs simpler and more predictable rules. Good regulation protects workers and consumers, gives businesses certainty,





ensures energy security, promotes environmental sustainability, safeguards privacy, and shields our economy from unfair competition and systemic risks. Europe also needs the common investment to deliver on its ambitions.

The strongest answer to the far right is a democracy that delivers for people. *When citizens face insecurity, rising costs, unaffordable housing or precarious work, political leaders must tackle those problems, not turn migrants, minorities, and vulnerable people into scapegoats. Strong public institutions, quality public services, decent jobs and wages, and a strong welfare state are essential to guarantee trust in democracy.*

But delivery must go hand in hand with political courage. President von der Leyen is right to warn against anti-democratic and anti-European forces. Those words must be matched by action. Her own political family, the EPP, must stop teaming up with the far right and relying on its votes. Democratic parties cannot allow the far right to define the political mainstream or help normalise forces that undermine equality, fundamental rights, and the rule of law.

Europe must remain united in support of Ukraine and firm in the defence of our shared security and democracy. Ukrainians are defending not only their own freedom and sovereignty, but also Europe's right to determine its own future. The European Union must show the same determination in defending international law everywhere. The suffering in Gaza and the violence in the West Bank demand stronger and more united European action to protect civilians, uphold human dignity and defend a credible two-state solution."

President von der Leyen presented **Hungary** as evidence that democratic backsliding can be reversed when citizens take their future into their own hands. But Europe cannot wait for more "Orbáns" to emerge before acting. Democratic forces cannot defend Europe while normalising the far right, relying on its votes or adopting its political positions. They must be unequivocal in defending fundamental rights, equality, democracy, and the rule of law. **Defending democracy also means making it deliver.**

The focus on clean and **affordable energy**, electrification, European clean technologies, innovation, and the completion of the Single Market points in the right direction. High energy prices continue to place a heavy burden on households, SMEs and European industry. Europe must expand renewable energy, improve its grids and





storage capacity, promote energy efficiency, and reduce its dependence on fossil fuels from authoritarian regimes.

PES Executive Vice-President for a Clean, Just and Competitive Transition **Teresa Ribera** is positioning decarbonization as the driving force of Europe's industry, with social progress at its core.

Europe's competitiveness agenda needs a strong clean European industrial base; a realistic streamlining and simplification agenda is part of the equation and must provide predictability and investment security for industry and SMEs. Simplification must serve shared European objectives, not undermine them. The PES will oppose any attempt to use it to weaken workers' rights, environmental standards, consumer protection, privacy, or financial markets safeguards.

Stronger measures are also needed to create demand for sustainable products made in Europe, including social leasing schemes that make clean European mobility accessible to more people.

Confronted with a significant investment gap, the EU must mobilize substantial private and public resources. The **Savings and Investments Union** must become a reality, channeling European savings into productive investment, research, and responsible technological progress. The **Banking Union** must also be completed, while ensuring robust prudential rules protecting ordinary citizens and the real economy. Stability itself is the competitive advantage amid international turmoil.

Public resources must play a role: the speech leaves unaddressed the EU's needs for a permanent, long-term EU investment capacity with real European solidarity and financial instruments, including through the use of common European debt, to boost investment and capabilities in security and defence, and to strengthen Europe's strategic autonomy. Europe's goals must be matched by the resources needed to deliver them. The **next EU budget must be ambitious**, protect cohesion and social investment, support the green and digital transitions, and be backed by new and genuine own resources. The engagement of European Council President **António Costa** with national capitals will be essential to building the political agreement needed for an ambitious budget that matches Europe's responsibilities.

The PES will work to ensure that the **Quality Jobs Act**, spearheaded by our Executive Vice-President **Roxana Mînzatu**, strengthens workers' rights, promotes collective bargaining, fights abusive contracts and enables workers to benefit from the digital and





green transitions. Fair free movement also contributes to quality jobs, as highlighted in the recently published **Fair Labour Mobility Package**, ensuring that no worker loses their rights by crossing a border.

The announced summit on the **European Pillar of Social Rights** must lead to concrete measures and measurable targets. This must include strengthening collective bargaining, providing quality jobs, fair wages and closing the gender pay gap, as well as fighting poverty and the affordability crisis.

Social measures should never be limited to minimum standards and should always aim at the highest protection of workers and citizens. Innovation must always sustain our social fabric.

Europe cannot allow the global **AI race** to run wild. **Artificial intelligence** can bring major benefits, but technological progress cannot come at the expense of people, democracy, the environment, or fundamental rights. From manipulation and disinformation to environmental damage and wider systemic risks, the warnings about where an uncontrolled race could lead must not be dismissed.

AI must work for people and serve democracy, not the other way around. Europe needs innovation with human control, transparency, accountability, and strong safeguards. AI should improve the quality of work and help people make better use of their skills, without replacing human responsibility, undermining job security, or deepening existing inequalities. Its benefits must be shared by citizens, rather than captured by a handful of technology companies.

The **AI Act** was an important first step, but it cannot be the last word. As technology becomes more powerful, Europe must strengthen its rules, close loopholes, and hold AI companies accountable. The **AI Act**, the **Digital Services Act** and the **Digital Markets Act** must be fully implemented and enforced, while the protections provided by the GDPR must be safeguarded. The upcoming **Digital Fairness Act** must also tackle algorithmic manipulation and other harmful practices by big tech companies. Simplification must not be used to dismantle the rules designed to protect citizens, workers and democracy.

Europe must develop ethical, sustainable, inclusive, and human-centric digital alternatives grounded in European values and rules. But rules are only as strong as their enforcement. The Commission must show greater determination in enforcing the **Digital Services Act** consistently across all platforms. No company should escape accountability when European rules are breached.





Children deserve a safer online environment, and progressives have been fighting for this for years. This is also central to the work of PES Commissioner for Intergenerational Fairness, Youth, Culture and Sport **Glenn Micallef**, whose responsibilities include European action against cyberbullying and the implementation of the EU Strategy on the Rights of the Child. As President von der Leyen noted, Australia, under its Labor government, has shown that public authorities can act. Progressive governments in Europe are also moving ahead: **Spain** has announced legislation to restrict social media access for children under 16, while **Denmark** has agreed to introduce a minimum age of 15.

The upcoming **Kids Act** can be a step in the right direction. The Commission must deliver an ambitious and enforceable framework that places responsibility on platforms. This means effective and rights-respecting age verification, safer-by-design services, action against addictive features and harmful recommender systems, and real consequences when platforms fail.

On **housing**, for too many people across Europe, a decent and affordable home is out of reach. Over the past decade, rents have increased by 59% in Berlin, 75% in Madrid and 103% in Lisbon. People can no longer afford to live in the communities where they work, care for others and contribute to society. This crisis is affecting millions of Europeans, yet it received only a brief mention in the State of the Union address.

Years of progressive campaigning have put housing at the centre of the European agenda and are delivering results: Europe now has its first Commissioner for Housing, a dedicated European Parliament special committee on the housing crisis, the first European **Affordable Housing Plan** and now, the first **Affordable Housing Act**. Each of these was a key demand of the PES 2024 European election campaign.

PES Commissioner for Energy and Housing **Dan Jørgensen** is leading this work at European level. The **Affordable Housing Act** must now be strengthened to bring housing costs down, tackle speculation and expand access to sustainable and affordable homes. It must be backed by substantial investment in social and affordable housing and concrete European and national action to end homelessness.

Housing is a right, not a privilege. The PES will continue pushing until everyone in Europe has access to a decent home they can afford.

The **European Care Deal** must also move beyond a recommitment of existing principles. It must deliver accessible services, adequate investment, good working





conditions, and decent pay for care workers, while reducing the disproportionate burden of unpaid care carried by women.

Europe cannot afford to put the **climate transition** on hold. President von der Leyen pledged to keep Europe on track towards its climate targets. But this commitment will only be credible if it is matched by implementation and greater ambition on decarbonization efforts. **Her own political family, the EPP, has repeatedly sought to weaken key elements of the European Green Deal.**

Europe has delayed climate action for too long to rely on mitigation alone. Deadly heatwaves, water scarcity, floods, wildfires, and crop losses show that adaptation can no longer wait. Europe must intensify cutting emissions while investing urgently in resilience to protect people, communities, and critical infrastructure.

The announced climate resilience framework, **Climate Insurance Alliance, European Heatwave Plan, European Water Initiative**, and work towards a **European Firefighting Fleet** respond to real and urgent risks. But they must be backed by clear legislation, adequate financing, and concrete implementation. New initiatives on water must also reinforce, rather than replace or delay, the implementation of existing European environmental law.

The transition must be just combining environmental sustainability with social progress, quality jobs, and economic development. Executive Vice President **Teresa Ribera** is leading efforts to ensure that **decarbonisation strengthens European industry** and leaves no worker or region behind, while Commissioner **Dan Jørgensen** is advancing **Europe's work on energy and energy-efficient housing.**

Europe must accelerate investment in **renewable energy**, clean technologies made in Europe, grids, storage, energy-efficient housing, and clean transport. Faster permitting alone is not enough. Renewables and electrification are essential to lower energy prices, tackle energy poverty and reduce Europe's dependence on imported fossil fuels from authoritarian regimes. Yet the speech offered no strengthened financing to achieve this.

The **green transition** is an investment in Europe's resilience, prosperity, security, and future. But it will only succeed if it delivers tangible improvements in people's lives.

In a more fragmented and uncertain world, Europe must build partnerships, not walls. The EU should use trade strategically to strengthen its position, diversify its economic relations, and defend open, fair and predictable international cooperation. Deeper ties with **Canada**, alongside recent agreements with **India, Australia** and **Mercosur**,





demonstrate the potential of a Europe that works with reliable partners and reduces dangerous dependencies.

But Europe should not simply trade more. It should trade fairly. Openness must go hand in hand with strong social and environmental standards. European trade policy must create quality jobs, protect workers, support sustainable development, and ensure that economic cooperation benefits people and communities, not only large companies.

The same principles must guide the **Global Gateway**. Its projects should respond to local needs, support the EU's development objectives, and build fair and sustainable partnerships. Success cannot be measured only by the volume of investment mobilised. It must also be measured by its contribution to poverty reduction, equality, shared prosperity, and the **Sustainable Development Goals**.

Europe must be able to protect its citizens, but **security** cannot be reduced to military spending. **Stronger European defence** capabilities are necessary, but they must go hand in hand with social cohesion, common investment, and the welfare of our citizens. From wildfires and climate-related disasters to hybrid attacks and geopolitical threats, **European security** requires resilience across our societies.

Defence investment should also strengthen Europe's economy and strategic autonomy, with a focus on dual-use technologies, common procurement, and production capacity across Europe. Building a stronger European defence industry also means investing in the people who will make it possible, through training, upskilling, and the creation of quality jobs across all regions.

Europe must remain unwavering in its support for **Ukraine**. The PES stands firmly behind Ukraine's independence, sovereignty, territorial integrity and right to defend itself. Russia's continued missile and drone attacks against Ukrainian cities, civilians and energy infrastructure, alongside repeated violations of EU Member States' airspace, demonstrate why Europe must maintain its political, financial, humanitarian, and military support.

That support must contribute to a comprehensive, just, and lasting peace based on **international law** and the principles of the **UN Charter**. Ukraine's European future is also becoming increasingly concrete. The opening of the fundamentals cluster in June marked an important step towards EU membership. Progress must continue through reforms strengthening the rule of law, the fight against corruption and public administration. Ukraine belongs in the European family, and Europe must stand with Ukrainians until a just and lasting peace is secured.





Europe must also continue to push for diplomacy and de-escalation in the **Middle East**. The recent escalation involving **Iran** and the wider region underlines the need for negotiated solutions, respect for international law and the protection of civilians. The EU should support diplomatic efforts, safeguard freedom of navigation and press for Iran's full cooperation with the International Atomic Energy Agency and compliance with its international obligations.

In **Gaza**, recognising the suffering of Palestinians and the illegality of settlement expansion is not enough. Europe must remain committed to a just and lasting peace, with Israel and a viable Palestinian state living side by side in peace and security. The implementation of the Gaza peace framework must deliver sustained humanitarian assistance, reconstruction, and effective Palestinian governance, while ensuring Israel's security and the permanent disarmament of Hamas and other armed groups. Europe must uphold international law, protect civilians, and use its diplomatic weight to create a credible political horizon for lasting regional peace. The EU needs to deploy instruments for the Netanyahu government to comply with international law, including with sanctions. Government officials calling for war crimes and crimes against humanity, as Minister Ben Gvir, and Minister Smotrich, must be sanctioned. The EU and its Member States must reassess cooperation agreements with Israel. We call for a suspension of the EU-Israel Association Agreement until Israel complies with Article 2 of the agreement.

Europe needs a **migration and asylum policy** that is effective, responsible, and humane. The events in **Ceuta** demonstrated that Europe's external borders are a shared European concern, and that solidarity and responsibility are essential. Europe must stand with **Spain** and the people of **Ceuta**. As S&D Group President **Iratxe García** made clear, Europe can defend its borders without wavering in its commitment to fundamental rights and European values.

The **Pact on Migration and Asylum** is now in force, and its effective and fair implementation must be the priority. It already includes rules for situations of crisis, force majeure and the instrumentalisation of migration. Before creating a **new European Emergency Response Framework**, Europe should establish whether the tools it has just adopted work in practice. Any emergency measures must remain exceptional, strictly limited, proportionate, and fully compatible with international law, the right to asylum and the principle of non-refoulement.

A European solution cannot mean only European border control. The Pact combines stronger external-border management with screening, asylum procedures, and





fundamental-rights safeguards. It must also ensure genuine European responsibility-sharing. Solidarity must be predictable, operational, and political, with practical support for Member States when pressure increases. **Frontex** must remain effective and accountable, and returns must respect fundamental rights and human dignity.

The instrumentalisation of migration by third countries must be addressed, but people on the move cannot be reduced to security threats. European migration policy must combine border management with solidarity, responsibility, and respect for human dignity. Progressives reject the far right's attempts to exploit migration, dehumanise migrants and turn people's legitimate concerns into fear and division.

Safe and legal pathways must be credible and genuinely additional. They should provide mutually beneficial routes for people seeking protection and for legal labour migration. Integration and inclusion, which were absent from the speech, are also essential to a sustainable migration policy and to ensuring that newcomers can participate fully in European societies.

Early-warning systems alone are not enough. Europe needs a rapid and coordinated response to **online disinformation about migration, asylum, and Schengen**. False narratives must be corrected quickly, legal realities clearly explained and citizens given access to accurate information. The events in **Ceuta showed that misinformation is not an abstract problem: it can obstruct an effective response and put lives at risk**.

A stronger Europe cannot be built through promises alone. It requires political consistency, the capacity to invest together and the determination to deliver security, democratic rights and social progress for everyone.

