

# KEY DEMANDS FOR 2024-2029

The European Union needs to make a powerful and tangible difference in people's daily lives. The concerns of people are clear - cost of living, affordable housing, quality jobs and quality health services, rights of women and of minorities, and not least security and defence are among those concerns that rank highest. They also know that Europe cannot slow down its efforts to fight climate change, but that these efforts must go hand in hand with a just transition that leaves nobody behind.

The S&D Group stands ready to address these concerns through the next Commission Work Programme and through its own political work. By delivering concrete results that will make a real difference in people's daily lives and by protecting the rule of law, as a standing core value, the European Union will also be able to make its democracies more resilient, and to protect its common future against destructive forces from inside and outside its borders, including the increased threats from the extreme right.

The S&D Group therefore believes that the next European Commission should pursue the ten following initiatives as a matter of priority, as follows:

- **Social Progress Action Programme**
- **European Security & Defence**
- **EU Investment Capacity**
- **Climate & Just Transition Agenda 2040**
- **Decent Housing for All**
- **Fair Taxation**
- **HealthFirst Act**
- **A Feminist Europe**
- **Managing Humane and Inclusive Migration**
- **External Action**

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<sup>1</sup> Draft dated 26 June 2024 10.00

## **Social Progress Action Programme**

The EU cannot continue on the path of economic and ecological transformation without a strong social dimension that protects and supports people in a changing work environment, ensures better living conditions through good wages, fosters social dialogue and collective bargaining, and succeeds in rebuilding cohesion in our societies by reducing poverty and raising living standards. Building on the achievements of the past term and following on from the recent **La Hulpe Declaration**<sup>2</sup>, the forthcoming revision of the European Pillar of Social Rights Action Plan and the achievements of the EU 2030 targets on employment, skills and poverty reduction should lead to a new European action programme for social progress. This programme should contain a set of **legislative proposals and revisions** including on the anticipation and management of change (a critical piece of legislation for the transition), artificial intelligence at the workplace, public procurement, subcontracting chains and liability, the European Labour Authority, the coordination of social security systems, a European social security pass, temporary agency work, company law, quality traineeships, the right to disconnect and telework, harassment at the workplace, the right to training, social claims and in the field of health and safety at work. In addition, major steps aimed at reducing poverty are needed within a **European Anti-Poverty strategy**: the use of distributional impact assessment of EU (and national) policies, measures and funds (coupled with the implementation of the ‘do not social harm’ principle in the Single Market), a dedicated and increased budget for the European Child Guarantee, a doubling of the European Social Fund Plus, and a directive on minimum income schemes. Furthermore, **the Social Convergence Framework should be used and further developed** to consolidate the social dimension of the European Semester and of the economic governance.

## **European Security and Defence**

The European Union is facing the most dangerous combination of security threats in decades, which demand a **genuine European defence policy** and a **European Defence Union** that would allow the EU to take greater responsibility for its own security, in cooperation with NATO. The next College should include a dedicated post of **Commissioner for Defence**, responsible for coordinating all defence industrial initiatives, in close collaboration with the VPC/HR who remains in charge of implementing the Common Security and Defence Policy. The next MFF should include a considerably increased heading on security and defence. With a **single market for defence products** in view, joint procurement and a level playing field in the EU’s defence market should be fostered, dedicating the necessary resources to drive cross-border collaboration, innovation, and the development of SMEs. Defence integration and development should be financed by a **Defence Investment Fund**, funded by joint EU debt, and dedicated to supporting exclusively the Union’s defence industry, without allowing any cuts towards other priorities such as social or cohesion spending. A **Strategy for Preparedness Union** should be presented based on a whole-of-society approach to prepare the EU to address simultaneous, complex and cross-border crises, whilst dedicating all the necessary resources for

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<sup>2</sup> The La Hulpe Declaration on the Future of the European Pillar of Social Rights was co-signed on 16 April 2024 by the Belgian Presidency of the Council and nearly all Member States (with the exception of Austria and Sweden), the President of the European Parliament, the President of the European Commission, the President of the Economic and Social Committee, and the Secretary Generals of the ETUC, SGI Europe and SMEUnited.

implementing the Strategic Compass, combatting hybrid threats, and developing the Rapid Deployment Capacity.

## ***EU Investment Capacity***

NextGeneration EU and its Recovery and Resilience Facility provide unprecedented investment support to the EU's ongoing economic, social, digital and ecological transformation. This programme of more than 800 billion euros will end in 2026 - but the investment needs it currently serves are set to broaden and to rise even further. The EU needs to create a **permanent investment capacity by 2027, which we estimate to at least 1% of EU GDP annually**. This investment capacity should have a broad scope to prevent a funding gap in several critical areas - including the green and digital transitions, energy, defence and security, social climate and adaptation policies, sustainable and affordable housing, and social investment - and close the existing funding gap with key global players including the United States and China in order to provide the necessary strong and sustained impetus to secure Europe's future competitiveness and its necessary re-industrialisation. **This investment capacity must be additional to the resources allocated to a robust and reformed cohesion policy**, with which it must be closely coordinated, anchored in shared management, decentralisation, partnership and a place-based approach. It needs to support a **new EU Industrial Strategy** building on the Green Deal Industrial Plan and on industrial needs in terms of strategic autonomy. A **permanent employment-saving instrument** should also be developed based on the existing, but temporary, SURE instrument. In all funding instruments, **the full engagement of cities and regions is needed** to build on their potential, as opposed to a centralised approach.

## ***Climate & Just Transition Agenda 2040***

The legal commitment made by the European Union in its Climate Law to make the EU the first climate neutral continent by 2050 must remain in place. In line with the Commission communication of February 2024, and with the legal obligation to do so, the Climate Law now needs to be revised in order to establish an ambitious intermediate climate target for 2040. In line with the European Scientific Advisory Board on Climate Change recommendation, this new **2040 climate target should be of at least 90% of net GHG emissions**. The necessary policies and investments must then rapidly be put in place to achieve this intermediate target, including a **stronger just transition framework or directive and a climate adaptation law** to ensure that those policies and investments are socially inclusive, protective and supportive for everyone in order to turn the green transition into an economically and socially progressive agenda.

## ***Decent Housing for All***

The lack of affordable, decent and social housing is a European-wide crisis, which must be forcefully addressed now. By combining a set of measures and initiatives at European level, including under cohesion policy, backed up by financial support to secure an additional flow of housing investment of

at least 50 billion euros per year through a combination of funding sources including the EIB, the EU can connect significant actions with national, regional and local policies. This multi-level approach can form a strong **European housing strategy** in a just transition framework within the limits of EU competences. This strategy should include a European sustainable social and affordable housing programme to support national housing policies, stronger support to households to make their homes more energy efficient, a revision of EU state aid rules, a revision of the Eurostat definition of housing cost overload, a revision of the services of general economic interest decision to broaden its scope, a Council recommendation on affordable housing to be integrated into the European Semester, a legislative initiative to regulate short-term rentals, and binding targets for the gradual elimination of homelessness by the end of this new term.

### **Fair Taxation**

Workers' income remains one of the main sources of public finance in the EU (51.4%). Meanwhile, revenue from taxes on capital represents only 8.5% of GDP. Governments tax income from capital less than income from work. The wealthiest mostly generate their income from their wealth, not from labor, and can more easily exploit mismatches and differences between Member States' tax legal frameworks. This fuels **growing and increasingly unfair and unsustainable wealth gaps** across our societies. The EU can address and correct this by:

- a wealth tax on the supra-rich to finance the EU's social and climate transition as a new own resource to strengthen the EU budget;
- a minimum effective taxation of capital gains at the EU level
- an excise duty on the repurchase of shares by corporations (share buyback schemes), harmonised at EU level to avoid distorting the EU financial market.

### **HealthFirst Act**

The pandemic exposed the structural weaknesses of Europe's health systems, whether in terms of infrastructures, the health workforce or the access and availability of critical medicines. Scientific evidence abounds on how much pollutants in our food, in our air, water and soil fuel a European-wide public health crisis, in close interrelation with environmental degradation. In addition, Europe faces an increasing crisis in mental health. The Council conclusions of 21 June 2024 confirmed the Council's commitment to take new steps towards a proper European Health Union and provided a detailed agenda which should serve as a reference point to re-prioritise health and environment. In order to frame new action across health and environment, a **HealthFirst Act should set a range of interrelated goals** including on security of supply of medical products, efficient NCD prevention, a quality health workforce with good working conditions, the reduction of AMD, crisis preparedness, a climate and health agenda, and mental health. This Act should provide a clear basis for an **operational health programme**, that must notably include a revision of the tobacco products and tobacco advertising directives, a revision of the REACH regulation, critical medicines legislation, a revision of the transparency directive for the pricing and reimbursement of medicines, a European mental health strategy, and re-increased funding for the EU4Health and Horizon EU budgets.

## ***A Feminist Europe***

Despite progress made, it will take more than sixty years to achieve gender equality unless for new and significant advances towards true gender equality in the coming years. A new **Roadmap towards a feminist Europe of equal rights between women and men** is needed, taking inspiration from the so-called **Halimi clause** (“the most favoured European woman clause”). This would ensure that all women living in Europe share the same strong rights in a whole range of areas. Such a roadmap for a feminist Europe should include new action in five major areas: the reconciliation of private and professional life, the guarantee of sexual and reproductive health and rights, the elimination of gender based violence, gender equality in the labour market, and gender equality in decision-making.

## ***Managing Humane and Inclusive Migration***

The implementation of the EU Migration Pact should ensure the protection of human rights, social integration, and an equitable burden-sharing among Member States. This implies a **rigorous monitoring aiming to ensure that national policies are humane, uphold the dignity of the migrants, and foster inclusive communities**. It is equally crucial to continually assess the socio-economic impact on the host countries/ communities, ensuring that support structures are in place to maintain social cohesion and public services. Transparent reporting mechanisms and active stakeholder engagement are essential to address these challenges and adapt strategies to promote solidarity and shared responsibility across the EU. In parallel, the EU’s need for legal migration is paramount for addressing skills shortages and meeting our demographic challenges. Therefore, the European Commission should propose **robust and comprehensive legal migration instruments**, giving priority to equal treatment in employment, and protection of migrants’ rights.

## ***External Action***

The European Commission is an important actor in the EU’s external action. All the possible means to secure **sustainable support to Ukraine** during the war and for the reconstruction of the country should be explored and mobilised. The scope of the use of immobilised Russian assets for these means should be extended, and a full implementation of EU sanctions against Russia must be ensured. **Qualified majority voting** should be introduced as the rule in all relevant external action areas, including the CFSP and enlargement. The accession process of Western Balkans countries, Ukraine, the Republic of Moldova, and Georgia should be supported in full respect for enlargement criteria. The EU must remain a flagholder of multilateralism and the rules-based global order in the framework of a partnership between equals across the world. Breaches of **international law**, including in the war in the Gaza Strip, cannot remain without EU response and consequences. An EU-sponsored **peace conference for Israel and Palestine** should pave the way to genuine peace talks aimed at achieving tangible results and a final status agreement between both sides, with the support of the international community, in the framework of the two-state solution. The Union should lead the fight for **responsible business and fair trade** globally, including through an effective implementation of its recently adopted new Corporate Sustainability Due Diligence Directive and Forced Labour Regulation, and the Sustainable Development Goals.