

OUR KEY DEMANDS FOR 2024-2029

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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 public health services, the disruptive risks from climate change, the 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. They also know that the EU's unwavering economic, humanitarian and military support for Ukraine, with the participation of all its Member States, is vital for the security and the future of the European continent.

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, by upholding our commitment to fight climate change 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, and the need to counter disinformation and misinformation.

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

- **Social Progress and Quality Work Action Programme**
- **Climate, Environment, Energy & Just Transition 2040**
- **European Security & Defence**
- **Democracy, Rule of Law and Fundamental Rights**
- **Financing the Transition and Safeguarding Cohesion**
- **Fair Taxation**
- **Decent Housing for All**
- **HealthFirst Act**
- **A Feminist Europe**
- **Humane and Inclusive Migration**
- **A Strong Global Actor for Peace, Human Rights, Fair Trade and Development Cooperation**

Social Progress and Quality Work 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 decent wages, fosters social dialogue and collective bargaining, provides for secure and reliable labour contracts, protects workers' rights, strengthens the role of trade unions and succeeds in re-building cohesion within and between our societies by reducing poverty and raising living standards across all of Europe's territories.

Building on significant social achievements of the past term and following on from the recent **La Hulpe Declaration**¹, the indispensable and meaningful revision of the Action Plan based on the European Pillar of Social Rights (to be integrated into the Treaties with a Pact for Social Progress) 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 and quality work. It should contain a set of **legislative proposals and revisions**, including a directive for a just transition in the world of work through anticipation and management of change by strengthening democracy at work accompanied by a reform of the EU Company Law Package, a right to training and lifelong learning, reinforcing trade union involvement and collective bargaining and ensuring reliable support mechanisms for workers who fall victim to economic change. The action programme should also contain a directive on artificial intelligence at the workplace, a revision of the public procurement directive to better protect the environment and to ensure fair working conditions through social conditionalities and strengthened collective bargaining, legislation on limiting subcontracting chains, ensuring liability and regulating labour intermediaries, a stronger European Labour Authority, the coordination of social security systems, a European social security pass, revision of the temporary agency work directive, paid quality traineeships, a directive on the right to disconnect and on conditions for teleworking, harassment at the workplace, the right to training, social claims and in the field of health and safety at work (including on psychosocial risks and protecting workers from hazards stemming from severe weather events). National social partners should have room to negotiate and collectively bargain in order to implement and complement such legislative initiatives, as envisaged by the EU Treaties.

For all new and revised social legislation as detailed here, the aim should be the same: to improve the protection of workers against uncertainty in their jobs and challenges at the workplace, in order to ensure a better living standard for everyone. In this context, labour migrants and their conditions deserve special attention, as well as people with disabilities whose social integration and access to quality jobs should be guaranteed. In order to foster fair mobility, reliable funding needs to be ensured for advisory and support services, and a new envelope in ESF+ for a trade union advisory network to support cross-border workers at risk of exploitation.

In addition, major steps aimed at reducing poverty are needed within a **European Anti-Poverty strategy**: a directive on minimum income schemes including on old age pensions, 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 people-centred EU budget to deliver on social progress and cohesion policy, actions to fight student poverty and the development of accessibility of Erasmus+ for all, a dedicated and increased budget for the European Child Guarantee and a doubling of the European Social Fund Plus. The **Social Convergence Framework should be used and further developed** to consolidate the social dimension of the European Semester and of the economic governance. **Collective bargaining**

¹ 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.

should be further encouraged and developed targeting an 80% coverage as a benchmark, including the promotion of democracy at work, trade union access to workplaces, and upward wage convergence. A concrete and deployable **skills agenda** should serve to fill the gaps in education, training, and retraining of the workforce for the digital and green transitions, including a new European Education Plan. In the light of **demographic challenges** including the ageing population, the EU needs to have a comprehensive strategy on demographic challenges and a binding action plan for the European care sector to ensure quality long-term care.

Climate, Environment, Energy & Just Transition 2040

The legal commitment made by the European Union in its Climate Law to make the EU the first climate neutral continent by 2050, and the achievements made so far in the European Green Deal, the Fit for 55 Package and the 2030 target must remain in place, including on CO2 standards for cars and the deforestation regulation. The Nature Restoration Law and the EU Biodiversity Strategy for 2030 need to be thoroughly implemented. They have been a success and they provide regulatory stability and perspective that needs to be maintained for the continued competitive and green transformation of European industry. In line with the Commission communication of February 2024, and with the legal obligation to do so, the Climate Law now needs to be extended in order to establish an ambitious intermediate climate target for 2040 that will continue Europe's efforts on the established path towards its 2050 carbon neutrality. In line with the European Scientific Advisory Board on Climate Change recommendation, this new **2040 climate target should be at least 90% and up to 95% of net GHG emissions compared to 1990 levels**. The necessary policies and investments must ensure to achieve this intermediate target, for which both a new EU Investment Capacity and a stronger EU budget with new own resources will be key.

Policy and investment targets must lead to a **prosperous, clean and secure European Energy Union**. The European energy security strategy, dating from 2014, needs to be updated and must place energy efficiency, renewable energy and clean tech manufacturing at its core. This will inform the debate to set energy efficiency and renewable energy targets for 2040, and modernise the EU Energy Union governance regulation. The implementation of the EU Electricity Market Design should be carefully monitored and lead to a review of the legislation if required to ensure that households, SMEs and local authorities benefit from affordable electricity prices that will also bring an end to energy poverty. The strategy should lead to **intensified investments in renewable energy and energy efficiency, EU strategic energy infrastructure, a pan-European energy grid and storage facility, and a binding EU framework for the phase-out of national and EU indirect and direct fossil fuel subsidies**.

The social dimension of climate policy must receive far more attention than before in order to achieve a socially just transition. A new social contract is needed whereby environmental sustainability goes hand in hand with social sustainability. This can be achieved through a **stronger just transition policy framework, including a directive to anticipate and manage change in the world of work** with job-to-job transition plans for all sectors based on meaningful and effective social dialogue, as well as a **European climate adaptation law with clear targets to protect citizens, farmers and infrastructure from climate impacts**, including concrete measures such as a European desertification plan, a Water Resilience Initiative and a reinforcement of the Union Civil Protection Mechanism.

The just transition policy framework should also ensure that **lower-income households are provided with the necessary support to embrace the climate and energy transition** in a way that will increase their quality of life and living standards in a new win-win approach between ecological and social progress. This requires substantially increased funding of the Social Climate

Fund and of the Just Transition Fund. Fostering **sustainable and responsible corporate behaviour for a just transition** towards a sustainable economy must also remain an important part of this approach. Therefore, the recently adopted Corporate sustainability reporting directive and the Corporate sustainability due diligence directive must remain in place and must be effectively put into practice.

Special attention must be given in this respect to the **living and working conditions of farmers and of agricultural workers** in a reformed and truly sustainable Common Agricultural Policy. The future CAP must become **anchored in a just transition approach**, in order to achieve sustainable farming that protects the environment, human health, and animal welfare while at the same time improving farmers' livelihoods through fair prices, ensure good working conditions and favour generational renewal, in particular for small and medium farms. The future CAP must take full account of the objectives **of food sovereignty and sustainable food production**, redirecting aid towards employment, environmental services and fair trade (with the integration of mirror clauses). This new CAP calls for regulation on the markets in order to tackle inflation and stabilise prices. **Reduction of pesticides** use must remain a key objective for the EU and lead to a new legislation. However, to face a pervasive agriculture crisis, we need to act before this new CAP, by adopting a **directive about sustainable food systems, value chains regulation and unfair commercial practices**. The EU also needs to adopt a Pact for Oceans and a new European strategy for forests.

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**. The EU must take responsibility for its own security, in cooperation with NATO, by enhancing its **security and defence capabilities** in the framework of a comprehensive approach to protect its citizens against military, economic and hybrid threats. It should dedicate the necessary resources for implementing the Strategic Compass and develop its Rapid Deployment Capacity. A **Strategy for Preparedness Union** should be established on a whole-of-society approach, and an emphasis on civil resilience as well as on the protection of critical infrastructure, supply chains and critical resources. The Union should also intensify its actions to protect itself against **cyber attacks** and against **foreign interference** on a collective level beyond the coordination among Member States.

The next **MFF** should include a considerably increased heading on security and defence based on new own resources. The EU should foster its **defence industry** and production capacities through joint investment, always in compliance with its basic values. Resources should be mobilised to boost the **research and development** of European defence products via an enhanced European Defence Fund, complemented by other initiatives along the whole life-cycle of these products. A **Defence Investment Fund** should be dedicated to supporting exclusively the EU's defence industry, without allowing any cuts towards other priorities such as social or cohesion spending. With a **single market for defence products** in view, joint procurement and a level playing field in the Union's defence market should be fostered, dedicating the necessary resources to drive cross-border collaboration, innovation and the development of SMEs in, and to the benefit of all the Member States.

The EU should explore and mobilise all the possible means to secure **sustainable economic, humanitarian and military support to Ukraine** during the war and for the reconstruction of the country, with contributions from all of its Member States. 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. The Union should lead in securing full **accountability** for all the crimes committed by Russia and its allies and proxies in the course of their war of aggression against Ukraine, including the creation of a special international tribunal to prosecute the crime of aggression.

The Union's **Eastern border regions need support** to cope with the direct impact of the war on their economy, the instrumentalisation of migrants at their borders, and Russian hybrid operations against their country. A European programme should be established for the most affected Eastern border regions (like the Brexit adjustment reserve) to help these regions to cope with the disproportionate economic shocks - including the acceptance of largest number of Ukrainian war refugees - which they continue to face since Russia's invasion of Ukraine.

Democracy, Rule of Law and Fundamental Rights

Upholding the values enshrined in Article 2 of the Treaty must remain a priority, by consistently bringing infringement proceedings before the ECJ and by enforcing relevant legislation. **Article 7 should be reformed** to allow for qualified majority voting. All rule of law violations should be included on the Conditionality regulation. **The rule of law mechanism needs to be further strengthened and in that regard also the Commission has the responsibility to remain a strong and independent guardian of the Treaties.**

The **respect of fundamental rights and democratic principles must be preconditions to participate in any EU funding programme**. Taking an ambitious approach to the preparation of the next MFF, for all EU funding instruments including the CAP, **stronger safeguards are needed** regarding the effective fight against and the respect of the independence of justice. The membership to the EPPO must be compulsory and its powers extended to cover crimes related to international terrorism and the implementation of sanctions to third countries. Civil society organisations and all other potential beneficiaries working for the promotion of EU objectives must be protected and their fair access to Union funds guaranteed. The decisions of the EU institutions to that effect must be fully objective and transparent, respecting the European Parliament, as budgetary authority, in the relevant decision-making.

Fundamental rights and civil liberties must be protected both online and offline, and E2E encryption must be enhanced. Data protection, confidentiality of communications and fairness must be reinforced. Consumers must be empowered in the digital landscape and the EU must ban any measures targeting or leading consumers to make unfavourable decisions. Children must be protected online with regard to exposure to harmful and detrimental content, to social media and to online gambling through a Regulation for the protection of minors online. Addictive design on social media should be banned and legislation must limit manipulative and harmful designs in online gambling and games.

Financing the Transition and Safeguarding Cohesion

To successfully master the current green and digital transitions in economic and social terms, the EU must ensure that the unprecedented financial resources this requires are made available through the European budget and through a new investment instrument. The **future MFF should be strengthened, supported by new own resources** (such as taxes on pollution, a wealth tax

and the FTT), and the EU budget should include social conditionality, with the social dimension of EU spending becoming a cross-cutting criterion for all policy areas, including the development of a methodology for tracking social expenditure.

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 (of which over 388 billion euros of grants and 400 billion of loans) 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 the conditions and instruments to ensure enough private and public investment for its ongoing transformation beyond this date. This will require a combination of initiatives and resources to ensure common investments into European public goods. At the heart of this endeavour should lie a **permanent investment capacity starting by 2027**, which we estimate to at least 1% of EU GDP annually of additional public investment funding. This investment capacity should have a broad scope to prevent a funding gap in such European public goods - including the green and digital transitions, industry including clean tech manufacturing, energy, defence and security, research, development and innovation, emerging digital technologies, cyber resilience, public health, social climate and adaptation policies, sustainable and affordable housing, and social investment including to fight poverty - and to close the existing funding gap with key global players including the United States and China. **The 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.

The investment capacity needs to support a **new EU Green Industrial Act** capable to achieve a competitive and green re-industrialisation of Europe built on quality jobs, on affordable energy prices, on a Green Deal Industrial Plan, on a "BuyGreenandEuropeanAct" building on the Net Zero Industry Act, on circular economy principles, on enhanced dialogue with stakeholders and social partners, and on advanced strategic autonomy, in particular in critical industries. This approach should be **anchored in cohesion policy principles and place-based** by promoting economic transformation through focused interventions in specific regions and industries. Its investments must also support Europe's digital competitiveness while **avoiding a digital divide and digital skill shortages**, e.g. by promoting digital skills through an EU Upskill Programme. In order to mobilise more private investment, the **Capital Markets Union** and the **Banking Union** should be completed. A **permanent employment-saving instrument** should also be developed based on the existing, but temporary, SURE instrument to safeguard and foster social cohesion and security in times of major change. In all funding instruments, **cities and regions should be fully engaged** to build on their potential, as opposed to a centralised approach, as well as **social partners**.

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. Several tax initiatives can at the same time make for less unequal societies and provide **new public income needed to finance the transition at national and European levels**, not least via new own resources that strengthen the EU budget. The EU can address this through:

- an EU initiative to support the implementation of a wealth tax in Member States to partly 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;
- a framework for the systematic taxation of windfall profits;
- a broad-based financial transactions tax, set at a level high enough to deter speculation and yield significant revenue;
- and a strengthened fight against tax evasion.

Decent Housing for All

The lack of affordable, decent and social housing is a pressing European-wide crisis, which must be forcefully and swiftly addressed. By combining a set of measures and initiatives at European level, including under cohesion policy, backed up by financial support to **secure a permanent and 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, the conduct of which should be reflected explicitly within a European Commissioner's portfolio in the new Commission.. This strategy should include a European sustainable social and affordable housing programme to support national housing policies, a permanent public housing instrument, stronger aid to households with a priority to the most vulnerable populations to make their homes more energy efficient and decent by supporting the renovation of existing housing, promoting the creation of social inclusion programmes for homeless people through emergency housing, 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.

HealthFirst Act

Systemic underfunding of health care systems created inefficiencies such as long waiting lists, unequal access to treatment, acute healthcare workforce shortages and ageing of medical professionals, leading to significant human suffering. The pandemic exposed the structural weaknesses of Europe's public health systems, whether in terms of insufficient infrastructures, a health workforce exposed to unfair working conditions, inadequate access and availability of critical medicines and medical counter measures. 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 a mental health crisis, notably affecting a growing number of children and young people.

The EU should strive for health and wellbeing of all Europeans, with no one left behind, with health inequalities between and within Member States tackled, and pan-European cooperation on determinants of health strengthened. 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. The Health in all policies approach, under Articles 9 and 168(1) TFEU and Article 35 of the Charter, and health focused principles of the European Pillar of Social Rights, need to be fully enforced. 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 and access to medicines and medical devices, affordability of medicines, efficient NCD prevention, a skilled health workforce benefitting from good working conditions, tackled anti-microbial resistance (AMR), an EU-wide ban on PFAS, crisis preparedness, on climate and health, on women's health, on rare diseases and on mental health. This Act should provide a clear legal framework 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 including with regard to endocrine disruptors, critical medicines legislation, a revision of the transparency directive for the pricing and reimbursement of medicines, a European mental health strategy, a Europe's Beating Cancer Plan, a comprehensive plan on rare diseases, and re-increased funding for the EU4Health and Horizon EU budgets. The EU industrial policy for healthcare should also be prioritised, especially by strengthening standardisation procedures and data sharing in a European Health Data Space. In recognition of the global nature of many threats to health, the HealthFirst Act should also endorse the development of a Global Health Policy.

A Feminist & Inclusive 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. To achieve full gender equality, policies need to address structural inequalities, intersectional discrimination and stereotypes. The S&D Group-sponsored **EU Charter of Women's Rights** sets uniform, Europe-wide standards for women's rights and shall serve as a guide towards gender equality in the enactment and implementation of all Union policies at European and national level. It also reaffirms the commitment of the Union to achieve gender equality and ensure respect and protection of fundamental rights of women in all their diversity, whilst preventing any setbacks in their accessibility and enjoyment. On this basis the EU should define a new **Roadmap towards a feminist Europe of equal rights between women and men**, along the lines of 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. We must also protect women's right to control their own bodies by ensuring that the European Charter of Fundamental Rights enshrines the right of every woman in Europe to legal and safe abortion. 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 including closing the pay and pension gaps, and gender equality in decision-making. The need for gender mainstreaming and gender budgeting in all EU legislation, policies and the MFF must also be achieved. The EU must also ensure **comprehensive protection against all forms of discrimination and promote inclusion**, e.g. by unblocking the anti-discrimination directive, and renewing the LGBTIQ Equality Strategy.

Humane and Inclusive Migration

The implementation of the EU Migration Pact should ensure the protection of human rights, social integration, and an equitable sharing of responsibilities among Member States. This implies a **rigorous monitoring based on field missions and legislative evaluations, 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, meeting our demographic challenges and ensuring a proper integration of migrants in a way that empowers migrants to achieve full inclusion. Therefore, the European Commission should propose **robust and comprehensive legal migration instruments**, giving priority to equal treatment in employment, and protection of migrants' rights. Any future partnership agreements with third countries should be conditional upon stronger involvement of the European Parliament and should not lead to any externalisation of asylum to third countries. A proposal is urgently needed to develop an EU mission of search and rescue in the Mediterranean.

A Strong Global Actor for Peace, Human Rights, Fair Trade and Development Cooperation

The EU must remain a flagholder of multilateralism and the **rules-based global order** across the world in the framework of partnerships between equals. Being a peace project itself, it should lead in defining a new peace and security architecture in the European continent, and achieving and sustaining peace and stability in its neighbourhoods. It should follow a feminist foreign policy across the spectrum of its external action.

The accession process of Western Balkans countries, Ukraine, the Republic of Moldova, and Georgia should be supported in full respect for enlargement criteria. Along a **bold enlargement policy**, the EU should prepare the ground for its next enlargement through internal reforms, both budgetary and institutional, in order to guarantee its capacity to absorb new members.

Human rights must be at the core of the EU's external action and international agreements, and breaches of **international law** cannot be left without consequences. The Israeli military operations in the Gaza Strip requires effective EU response, and immediate EU action is needed to achieve a permanent ceasefire, secure the release of hostages, and avoid further escalation in the region. 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 EU should not be trapped in the competition between China and the United States. Its trade policy should serve to make the Union a more assertive international actor. The EU should continue leading the fight for responsible business and for **sustainable and fair trade** globally - including through the effective implementation of its recently adopted new Corporate Sustainability Due Diligence Directive and Forced Labour Regulation - the reform of the WTO, enforceable and sanctions-based TSD chapters, and autonomous trade measures, accompanied by proper dialogue with third countries in order to secure a better understanding and proper implementation of these measures.

The EU must remain a lead global actor in promoting the implementation of the UN's **2030 Agenda** (Sustainable Development Goals). It should strive for a new partnership with Africa through rebuilding trust in shared objectives and joint projects, as well as with Latin America. It should reconnect strategies with emerging markets and developing economies, as part of a consistent and strong multilateral and bilateral **development cooperation** policy. The EU should preserve a good balance between core actions focused on effective responses to essential needs of local

populations in partner countries and innovative approaches such as the Global Gateway, along a strong engagement with civil societies and under effective European Parliament scrutiny. At the same time, the European Commission should maintain its internal structures dealing with international partnerships and development cooperation without any major restructuring.

Agence Europe