



- INTERNAL -

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DRAFT – A New Agenda for Europe 2016-2019 PES Road map following the UK referendum

The European Union is going through one of the worst crises in its history, of which the British referendum is the most dramatic expression. The coming months will be determining for the future of the European Union as such, a time when broad policy and political orientations of the EU will be debated. It will be important for the PES family to work proactively to promote our agenda. We need to build on the excellent work and cooperation inside our family, between parties, governments, the S&D Group, Commissioners, YES< PES Women, FEPS, the PES Group in the Committee of the Regions, and other partners. We will need to contend with the political forces who want to see the EU downgraded to little more than a free market area.

From our perspective, it will be important to resist that push, and propose instead our progressive agenda. People will regain trust in the EU not if it becomes more diluted, but if it becomes more social, more fair, more efficient, if it improves concretely the life of citizens. As PES, we should be clear that the question is not more or less Europe, but what Europe. And the answer to that question is a Europe that defends the rights and prosperity of all its citizens, a Social Europe. This notes highlight the core priorities to achieve this.

1. A Europe of real social added value to its citizens

- a) In a context of rising inequalities and high unemployment, in particular youth unemployment, concrete measures have to be taken to strengthen our social model. Social protection is not only an essential safety net for all our citizens, but also a prerequisite for a strong economy.
- b) The Commission's proposal of March 2016 on a **European pillar of social rights** offers an important occasion to strike a new balance in favour of a more social Europe. Our expectation for it are clear:
 - A **Social Progress Protocol** that protects fundamental social and labour rights by giving them at least the same legal weight as economic freedoms.
 - Promote a **European social protection floor** that guarantees universal access to essential quality health services and basic income security.
 - **Consolidate social standards** in Europe and ensure they also cover new forms of work.
 - Support an **increase of minimum wage** in all Member States, to be reached either by law or through collective bargaining.
 - Guarantee **equal pay and equal rights for work of equal value for all**. In particular, progress quickly on the revision of the Posting of Workers Directive.
 - Non-discrimination must be a core principle to guarantee all EU citizens, including mobile workers in a host state, **equal access to social security and social assistance**.
 - A **real gender equality**, closing the **gender pay and pension gap** with clear and binding targets, and **better work-life balance for all**.



- **European standards to manage restructuring** in a social and responsible way, supported by adequate funding in the European Social Fund and the European Globalisation adjustment Fund.
- c) It is essential to have a **strong social dialogue** to reach these objectives, and social partners must be directly involved in the development and **implementation** of policies.

2. Ensuring sustainable economic growth and social wellbeing

- a) The **Europe 2020 strategy should be reviewed** to promote a more balanced socio-economic governance. We should focus our efforts to promoting quality work and decent wages. Competitiveness and growth must be pursued through improvements in employment and productivity. It should be approached from the angle of innovation, resilience, productivity and non-cost competitiveness, rather than price or wage competition or through internal devaluations and persistently contractionary fiscal policies.
- b) We need a **new programme of progressive reforms**. In the declaration recently adopted by the PES Presidency, we define progressive reforms as those that promote a strong social model, reduce inequalities and guarantee social standards. Reforms that promote innovation, investments, and a new growth model. These are all essential for an economically and socially sustainable future. . More attention should be paid to relative **cross-EU differences in wages, productivity and prices**, building on social dialogue in order to protect EU's labour standards, and foster upward convergence in a growth-friendly way.
- c) Creating an **Investment Union** to close the existing **private and public investment** gaps, by mobilising all the means we have in our disposal (such as the EU Budget, the European Fund for Strategic Investment (EFSI) and the future Capital Markets Union) but also by working to identify new instruments.
- d) We need to accelerate **investment to the real economy, and especially in SMEs**. Ensuring socially and environmentally useful investment to speed up the ecological and digital transition must be at the top of our political priorities. Promoting an **ambitious investment policy aiming** at low-carbon, smart and inclusive growth. Both private and public investment should be stimulated in this respect to create new and quality jobs and to address the EU's migration and security challenges.
- e) Fiscal responsibility must be aimed while providing for an adequate degree of flexibility.
- f) Our aim is to promote fair and **redistributive tax systems** and to make sure that tax justice prevails to render our societies more equal. We also want to **tackle aggressive tax planning**, notably with the implementation of the Common Consolidated Corporate Tax Base (**CCCTB**). Putting an end to harmful corporate tax competition, that's leads to a fiscal and social race to the bottom. More convergence in tax policy is essential for promoting social cohesion and limiting social inequalities. Putting an end to tax evasion and tax avoidance and aim at **closing down on tax havens**. Measures such as implementing public **country by country reporting**, creating a **black list of tax havens**, bringing forward with **sanctioning** proposals are essential.
- g) **Introducing the Financial Transaction Tax (FTT)** has been a strong priority of the PES. The FTT must be swiftly implemented in order to tackle financial speculation and to make the financial sector pay its fair share of the financial crisis.

3. Developing an EMU that delivers economic growth and social prosperity

- a) Making sure that policy mix becomes more balanced. Economic and social policy should go hand in hand and aim towards upwards economic and social convergences.
- b) Creating a **Eurozone budget** for immediate reaction to symmetric and asymmetric shocks, focused on reducing cyclical unemployment and strengthening real economic convergence
- c) The **Banking Union** should aim towards achieving risk sharing and risk reduction. Completing it with the **implementation of the European Deposit Guarantee Scheme** for safeguarding citizens deposits and with a common fiscal backstop to the Single Resolution Fund backstop is essential.
- d) The **Capital Markets Union** should be well-regulated and supervised in order to improve SMEs access to finance without creating new risks to financial stability.



- e) **Democratic accountability and responsibility should be strengthened in the EMU.** Both national and European parliaments should play a key role in the decision making processes. At the same time social dialogue must play a central role in this process.

4. Act for Youth: Invest in the current and next generations of Europe

- a) A Europe where **more than one in five young Europeans under 25 is still out of employment** and where more than one in four children live at risk of poverty and social exclusion is unacceptable. Not only do they impede individuals' chances and choices in life, but also create hopelessness and frustration. That is why Europe needs a **European Youth Plan** as proposed by the PES:
- We want a **permanent and extended European Youth Guarantee**, with a funding of 20 billion EUR until 2020, to widen the scope of beneficiaries by raising the age limit to 30 years and to ensure good implementation and quality and sustainable offers.
 - We want a true '**Erasmus for all**' by broadening Erasmus+ in order to enable all secondary school pupils and students engaged in vocational education and training to gain experience in international exchange programs.
 - We want a **European Youth Culture Cheque**, to be spent on any cultural activity of the young card holders' choice, to facilitate accessibility of culture.
 - We want to create a **European Child Guarantee**, a specific European fund to ensure children's rights to healthcare, education, childcare, housing and nutrition.
- b) The negotiations on the EU budget's mid-term revision is a key moment to safeguard the necessary means to realise the proposals of the European Youth Plan.

5. Seizing the opportunities of more ambitious climate action

In February 2015, the European Commission presented a plan to make the bloc's energy system more resilient, environmentally sustainable and competitive.

- a) The **Energy Union** strategy is the EU's signal to the world community to play its role in the international fight against global warming. We want to take the next steps to complete the Energy Union to make **clean and secure energy affordable for businesses and all citizens**. The priority must be to develop a social dimension, most immediately through the fight against **energy poverty**, including by targeting energy efficiency measures on energy poor households, empowering energy consumers to take control of their energy bills through improved information, strengthening consumer rights and to switch energy provider.
- b) The United Nations "Paris Agreement", concluded in December 2016 in Paris, is historic. For the first time all countries of the world committed to climate action in a partially legally-binding international agreement that will be durable and adaptable to changing circumstances. In the context of the new international climate framework set by the **Paris COP21** Agreement, the EU should raise its targets for greenhouse gas reductions, renewables and energy efficiency for the **post-2020 period**.

6. Democracy and Security

Respect of Human rights and **fundamental values** are basis that built the Union of peace and democracy. Those values had been attacked by populist rhetoric and extremist ideologies that use EU as escape goat for everything that is wrong. This is a challenge for all political parties but foremost for PES being one of the founding fathers of the EU project.

- a) Democracy is built on the **respect of Rule of Law**. The European Commission as the guardian of the EU Treaties and who can launch infringement procedures as per art 258 TFEU need a comprehensive framework that brings together all procedures. The PES has been promoting a **Scoreboard on Democracy** that will enforce EU's values, and we must continue this process.
- b) In order to continue developing inclusive societies, we must propose **effective integration policies** which guarantee a decent standard of living to everyone, respect minorities and fight discrimination. It must provide all with access to the labour market and basic rights such as education, healthcare and housing.
- c) To reinforce European democracy, our political family was the driving force behind the establishment of the **common candidate** process in the European elections of 2014. We



want to not only continue with this process in 2019, but strengthen it. We want this process to be fully inclusive, transparent and democratic.

The EU must be an area where both security and fundamental freedoms and rights are fully respected.

- d) Terrorism can only be defeated through cooperation, trust and unity. Good cooperation between security agencies and judicial bodies across the EU is fundamental. This includes bilateral cooperation as well as efficient use of bodies such as EUROPOL or EUROJUST. Such cooperation and sharing of information must go hand-in-hand with strong protection of the **right to privacy** and other individual rights.
- e) It is an absolute priority to work towards preventing the rise of **radicalization** in our societies, alongside having efficient programs to disengage people from radical groups. We will continue to push for the development of measures which empower families, schools and professional social workers into detecting, preventing and acting upon the radicalization of young people.
- f) A key aspect in the battle against terrorism is related to financing. We will push the European Commission to deliver efficient action plans in this field so as to greatly improve the **tracing of money used to finance terrorism**.

7. For a common European asylum and migration policy

- a) We stand in **solidarity with those fleeing war and persecution** taking into account their fundamental rights of refugees and sticking to the principles of **solidarity, responsibility and humanism**.
- b) We strongly believe that a **future permanent, binding scheme**, granting the refugees the procedural guarantees they are entitled according to the EU Asylum Procedure Directive and Reception Conditions Directive, would ensure the better management of the refugee crises.
- c) The answer to the current challenges of the enormous migratory flows is rooted on the **fair sharing of responsibilities** and solidarity between EU Member States. This includes relocation and resettles policies as well as the management of EU external borders and is complementary to national responsibilities.
- d) Tackling the **root causes of migration** to end conflicts and find long-lasting solutions for peace and stability in the Middle East region as well as in the Sahelo-Saharan zone is one of the first political priorities. Fair cooperation with and between countries of transit and origin should be enhanced by EU programmes and financial instruments.
- e) We call for the swift implementation of the **migration compact** that addresses the external dimension of migration policy and creates initiatives and financial instruments that focus, first and foremost, on countries where migrants originate from or transit through.

8. Promoting stability, democracy and development

- a) We will continue to support and **promote democracy and stability**, particularly in the Balkans and East neighbourhood. We believe that dialogue is the best path to democracy, rule of law and peaceful societies. We strongly support the work of the HR/VP on the various **EU peace and stabilisation operations**, particularly in Africa, in order to tackle Human trafficking and terrorism. These efforts can lead to more peace, democracy, education for all and development.
- b) We believe that **fair and balanced trade agreements** could promote peace, economic development and good relationship with the EU partners. We will ensure that these principles are supported by the Commission's work.
- c) We will continue to **support the EU development policy and its 0,7% of GNI target**. We strongly believe that the Emergency Trust Fund for Africa is an asset to fight illegal immigration and to assist our partners for their development policy. We trust that a coordinated development policy of the EU and its member states is an advantage to promote the SDG.

