Combating inequalities as a lever to boost job creation and growth

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The European Parliament adopted by 386 votes to 102, with 51 abstentions, a resolution on combating inequalities as a lever to boost job creation and growth.

Equality and fairness are an integral part of European values and a cornerstone for the European social model. Combating inequalities can be a lever to boost job creation and growth and at the same time reduce poverty (47.5 % of all unemployed persons in the EU were at risk of poverty in 2015).

European policy coordination to combat inequality: Parliament affirmed that inequalities threaten the future of the European project. It emphasised the reduction of inequalities must be **one of the main priorities at the European level**, not only in order to tackle poverty or promote convergence, but also as the precondition for economic recovery, decent job creation, social cohesion and shared prosperity.

The European Semester has not prioritised the achievement of these aims and the reduction of inequalities. Therefore, it urged the Commission to:

- improve the process of policy coordination in order to better monitor, prevent and correct negative trends that could increase inequalities and weaken social progress;
- **within the scope of the European Semester, better assess imbalances in terms of income and wealth distribution**, and to justify its proposals and recommendations for political decisions with solid and detailed data;
- promote **ambitious investment in social protection, services and infrastructures** by Member States through a more targeted and strategic use of the European Structural and Investment Funds and the European Fund for Strategic Investments, in order to respond to the social and economic needs of Member States and regions;
- continue, with the Member States, efforts to **reduce inequalities between income groups** and promote measures to ensure, *inter alia*, decent working conditions for all, public education and health, pensions, adequate public infrastructure and social services;
- work with Member States to develop **comprehensive strategies for job creation**, entrepreneurship and innovation, aiming for strategic investment in green jobs, in the social, health and care sectors, and in the social economy, whose employment potential is untapped;
- propose an **upward revision of the Youth Employment Initiative (YEI) budget** for the period 2017-2020, including better reaching young people under 30 and facilitate the implementation of the **Youth Guarantee**.

Parliament reiterated its call for the establishment of an authentic **European Pillar of Social Rights** which promotes upwards convergence, taking into consideration the share of competences laid down in the Treaties and the building of a deeper and fairer social dimension of the EMU.

Improving working and living conditions: given that undeclared work, atypical work contracts and other forms of non-standard employment may give rise to lower wages, Parliament urged the need for **adequate social security** and social protection to be provided to protect all workers and for increased efforts to fight the shadow economy and undeclared work.

Members called for an accurate **common employment classification** in order to reduce precariousness. Moreover, the new skills strategy must provide **affordable access for all workers to lifelong learning** and ensure adaptation to digitalisation and permanent technological change.

The resolution stressed the importance of **social dialogue** and collective bargaining for determining wages. It called on the Commission to improve the health and safety of workers at work and called for the implementation of a strong anti-discrimination policy.

Strengthening the welfare state and social protection: Parliament encouraged the Member States to **improve their welfare systems** (education, health, housing, pensions and transfers) on a basis of high-level social safeguards, in order to achieve comprehensive protection of people, taking into account the new social risks and vulnerable groups that have appeared as a result of the financial crisis. Investment in quality and affordable **early childhood education** and care services should be strengthened as this is key for combating inequalities in the long term.

Members called for:

- **universal access to affordable housing**, protecting vulnerable households against eviction and over-indebtedness;
- **swift action on the current migration and refugee crisis** and guarantee that refugees have access to rapid language and culture learning processes, training, quality housing, healthcare, education, labour market and social protection and recognition of formal and non-formal skills and capabilities, and to ensure their inclusion in society;
- support in strengthening **public and occupational pension systems** to provide an adequate retirement income above the poverty threshold;
- **care credits in pension systems** to compensate for lost contributions of women and men due to childcare and long-term care responsibilities;
- the right to decent and barrier-free work for people with **disabilities**;
- **fairer international trade agreements** that respect European labour market regulations and ILO core conventions, while also protecting quality employment and workers' rights;
- active labour market policies, based on **gender mainstreaming** aimed at increasing women's participation in the labour market.

Modernising taxation: Members insisted that many Member States need a deep tax reform. Real actions against tax avoidance and fraud would be an important means of reducing economic inequalities and improving the collection of tax revenues in the Member States.

Reforms should also tackle corruption in public administration and address wealth inequality, including by **redistributing the excessive concentration of wealth**, since this is vital if inequality is not to be exacerbated in many Member States.