

Commitments made at the hearing of

VALDIS DOMBROVSKIS

Executive Vice President-designate

An Economy that Works for People



The Executive Vice President-designate, Valdis Dombrovskis, appeared before the European Parliament on 08 October 2019 to answer questions put by MEPs from the Committees on Economic and Monetary Affairs (ECON) and on Employment and Social Affairs (EMPL). During the hearing, he made a number of commitments which are highlighted in this document. These commitments refer to his portfolio, as described in the [mission letter](#) sent to him by Ursula von der Leyen, President-elect of the European Commission, including:

- An economy that works for people;
- Economic governance; and
- Financial services, financial stability and the Capital Markets Union.

Please note that the quotes included in this document only make reference to oral commitments made during the [hearing](#). The [verbatim report](#) of the public hearing is available on the [Commissioners-designate hearings website](#). The Executive Vice President-designate was also sent some written questions in advance of the hearing to which he provided [written answers](#).



An economy that works for people

Objectives

"[...] we want to put a strong focus on inclusive and sustainable growth. We want to see a strong link between economic development, social concerns and sustainability. It's true that we do not need economic growth for the sake of economic growth, but for the sake of the well-being of the people."

The European Pillar of Social Rights - action plan

"We will present an action plan for implementing the European Pillar of Social Rights effectively across the EU."

"So let me mention some concrete proposals which are in the pipeline. [...] a legal initiative on fair minimum wages, and that was in first 100 days of the mandate; a European child guarantee; a strengthened youth guarantee; a European Unemployment Benefit [Re]insurance Scheme [...]; an updated skills agenda; improved labour conditions for platform workers [...] and also a new European gender strategy, including measures on binding pay transparency."

Role of social dialogue

"[...] we intend to continue to develop social dialogue."

"Of course we are open to discuss possible legislative amendments there, but [...] social partners are already involved in the European Semester [...]."

"[...] involvement of social partners in the European Semester at European and national levels, consultations on key policy proposals [...], support for capacity building, and we will continue along those avenues."

"[...] we have always very strongly emphasised that we want to respect collective bargaining models in different Member States, especially where those models work very well, like in Nordic countries. [...] this is our guiding principle and will be so in the future."

"We also need to strengthen the effectiveness and functioning of cross-industry and sectoral-social dialogue [...]."

"[...] we intend to work closely with the European social dialogue committee for construction."

Social security systems

"[...] what we need to ensure is that [...] people, also in the digital economy and platforms [...] contribute to the social systems and they are covered by the social systems."

"[Regarding] [...] portability of pensions in cross-border situations [...], this is a right that should be available to

mobile workers. So we are ready to work to improve the practical situation on the ground."

Anti-discrimination and equal opportunities

"[...] we will continue to promote adequate income and income support [...] to those in need. [...] the principle of equal opportunity is there and the Commission will continue to rigorously apply it."

"On gender, there will be a dedicated strategy, among other things, looking at, for example, women's access to the labour markets and also the pay gap."

"[...] further supporting people with disabilities is also something which is going to be on the Commission's agenda."

Tax fairness

"[...] there is no social fairness without tax fairness."

"I will keep the fight against tax avoidance high on my agenda [...]. Multinationals must be taxed effectively, so that our citizens and SMEs don't have to bear an unfair tax burden."

Support for the green and digital transformation

"My [...] objective will be to use fiscal, economic and financial policies to support the green and digital transformation."

"The green and digital transformation can only succeed if it is seen as socially fair. [...] So my [...] objective is to make sure that our social policies evolve to accompany these transformations."

"This [digital divide] is an important part of our skills agenda, because to equip people for the digital age, you obviously need digital skills, and there clearly is a shortage."

"[...] we will help to support the people and regions most affected by the green transformation through a new Just Transition Fund."

"[...] we will be working closely with the European Parliament [...] to see what additional elements are needed and how they can be integrated within the MFF framework – for example the Just Transition Fund."

Sustainable Europe Investment Plan

"[...] there will be several work strands. So, first it's a financial work strand: support from the EU budget and the EIB to attract investment and also advisory support to create a pipeline of eligible projects. Because we don't only need to mobilise money, we also need good-quality projects which actually enable the sustainable transition."

"[...] the aim is to mobilise one trillion euros in sustainable investment by leveraging private money

via the InvestEU programme, via the EIB, where we, as you know, intend to move up this target for climate financing from 25% to 50%. That's going to be fresh money, and through other contributions in the EU budget."

"[...] when I mentioned EIB lending targets, this is fresh money to compare with the current situation, and it amounts to many tens of billions of euros."

"We will also encourage Member States to allocate up to 5% of their funds under shared management for the InvestEU programme, which again will allow us to leverage substantial amounts of fresh money."

EIB as a climate bank

"[...] the flagship part of turning the EIB into a climate bank is to increase the share of its financing which is dedicated to climate from the current 25% to 50% [by 2025]. So that's a first important step, and phasing out the financing of fossil energy is part of this strategy."

"In terms of estimates, you mentioned EUR 50 billion per year. Well, with additional EIB financing typically you can leverage at least two-thirds coming also from project partners, so at least EUR 45 billion per year. So if we are talking about a 10-year time period, that already brings us to EUR 450 [billion]."

Economic governance

Refocusing the European Semester

"We must continue to build on the European Semester. Social considerations already account for nearly half of our country-specific recommendations. I intend to keep this focus in our future economic governance. We will also integrate the UN Sustainable Development Goals into the Semester objectives to promote both inclusive and sustainable growth."

"There should be regular monitoring of progress towards sustainable development goals – targets within the Semester. We will also put forward systemic considerations in policies relevant for green transition, like a green investment, circular economy, resource efficiency and just transition across all policy sectors."

"[...] we'll assess how to integrate sustainability into the macroeconomic imbalances procedure, but we also have binding sustainability targets, for example emission-reduction targets in other policies like in energy union, and lock in our commitments to implement the Paris Agreement."

Simplification of the Stability and Growth Pact

"[...] we will be working on the basis of the report of the European Fiscal Board, which sets out some ideas on simplification of the rules of the Stability and Growth

Pact, so that they are also simpler to apply and simpler to explain to the broader public because currently the rules are – as we know – actually too complex."

"[...] on EU fiscal rules, we can indeed take the work of the European Fiscal Board on expenditure benchmark with a debt anchor and as I put it, a 'limited golden rule', as a basis for our considerations. Of course it will be important to build a broad consensus so that we agree on the way to adjust and simplify our fiscal rules."

"[As regards red lines in relation to flexibility in the Stability and Growth Pact] I think, as a general principle in Europe, we should avoid drawing too many red lines and rather work in a spirit of compromise. That's how the EU is working."

European Stabilisation Function

"[...] we have put forward two proposals. One is the reform support programme, on which basis we are now discussing a Budgetary Instrument for Competitiveness and Convergence. [...] And the other proposal was on the stabilisation function: we put forward a concrete proposal on the European Investment Stabilisation Function [...]. Now we are considering to what extent we can find synergy with the [...] proposal on the Stabilisation Function and a European Unemployment [Re]insurance Scheme."

Financial services, financial stability and the Capital Markets Union

Completing the Banking Union

"[...] the Banking Union finalisation will be high on the European Commission's agenda."

"From the Commission's side [...] we will continue to look at how to break the current deadlock, or current very slow progress, on EDIS [European Deposit Insurance Scheme] in the Council but also, it must be said, so far in the European Parliament. [...] We will be ready to facilitate this by putting, if necessary, new elements on the table to facilitate discussions."

"[...] we need to find a solution for this issue of liquidity in the resolution, so we'll be working together, also with Member States and the ECB on this."

"On a safe asset, as you know the Commission has put forward a legislative proposal on sovereign bond-backed securities. Unfortunately, this work has not been picked up very much in the Council, so we will need to see how we can try to reinvigorate this discussion."

Financial technologies and crypto-assets

"I will put forward a new strategy for Europe to get the best out of FinTech and to compete globally."

"[...] we must address risks such as unfair competition, cybersecurity, and threats to financial stability. For instance, Europe needs a common approach on crypto-assets, such as Libra. I intend to propose new legislation on this."

"[...] we will need to regulate Libra to supervise it on EU level, both from the point of financial stability and the protection of investors [...]."

Access to finance for SMEs

"The new Commission will propose a new fund to help SMEs to go public. Together with my colleagues, I will propose a strategy to help SMEs tackle challenges relating to the green transition, digitalisation and changing trade patterns."

"So, a concrete new initiative, which we intend to put forward [...] is a dedicated public-private fund to support initial public offerings of SMEs [...] and of course we still need to look at conditions and cost of access of SMEs to the regular capital markets."

New strategy for green financing

"[...] we will continue to be ambitious in the area of sustainable finance and we see it as a part – as a regulatory arm – of our green transition."

"Taxonomy will provide a basis for many other actions, including rolling out green bond standards, ecolabels and many other elements. [...] we will be expanding taxonomy also in other areas."

"[Regarding] the creation of an EU green bond standard, which should be available to any type of listed and unlisted European and international issuer [,] I will be supportive of this work and bring it forward under the next Commission."

"Regarding transparency, issuers will have to provide details of all the proposed uses of proceeds and of issuers' green bond strategy and processes."

"We will soon publish a fitness check on corporate reporting, including a review of the Non-Financial Reporting Directive, and [...] intend to expand the scope of the Directive to other financial institutions and also streamline the disclosures by financial institutions."

"Also we are working now on measures which are targeting more sustainable and mainstream financial actors and figures, so we can have a new look also at ESG [Environmental, Social and Governance] risks in the duties of asset managers and institutional investors [...]."

Combating money laundering

"[...] the application of EU anti-money laundering rules has been uneven across the EU. And, therefore, we need to rethink how our framework is working. And, in this context, we see a lot of merit in conferring certain anti-money laundering tasks and their coordination to a Union body."

"We see that there is definitely scope for more coordination at EU level: exchange of information, using best practices but, in the event of a non-cooperative approach, the [EU] authorities also need to have the possibility to act directly."

Banking prudential regulation

"[...] when implementing completion of the Basel III, we will need to take into account European specificities. [...] we will continue to be supportive of the SME Supporting Factor."

"As the Basel Committee said, completion of the Basel Agreement should not lead to a significant overall increase in capital requirements."

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