



2016/2269(INI)

26.9.2017

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Employment and Social Affairs

on combating inequalities as a lever to boost job creation and growth
(2016/2269(INI))

Rapporteur: Marisa Matias

PA_NonLeg

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas rising inequality in the EU can be harmful for good economic policy design and economic development; whereas inequality is usually approached merely as a social problem; whereas trade globalisation has helped to reduce overall global inequalities, while it has also had a role in the rise of new ones; whereas the IMF found, on a global scale, an inverse relationship between the income share accruing to the top 20 % and economic growth, whereby if the income share of the top 20 % increases by one percentage point, GDP growth is actually 0.08 percentage points lower in the following five years; whereas, conversely, a similar increase in the income share of the bottom 20 % is associated with higher growth of 0.38 percentage points; whereas equality can, under the right conditions, both contribute to and result from good economic performance; whereas a properly functioning economy and labour market remains one of the most effective means of tackling unemployment and thereby reduce inequality;
- B. whereas there is an investment gap in the EU; whereas public and private investment are key elements and can contribute to reducing inequality by boosting employment; whereas structural deficiencies need to be properly addressed; whereas the European Fund for Strategic Investments (EFSI) is expected to be updated in order to help address the investment gap; whereas the investment gap has to be addressed, including by deepening the financial markets, in order to promote innovative projects that can boost employment;
- C. whereas combating inequalities can be a lever to boost job creation and growth and at the same time reduce poverty; whereas 47.5 % of all unemployed persons in the European Union were at risk of poverty in 2015¹;
- D. whereas inequality is a multifaceted phenomenon which is not restricted to monetary issues but also concerns differences in the opportunities available to people depending on, for example, their gender, ethnic origin, sexual preferences, geographical location or age;
 - 1. Points out that public and private investment can create jobs and that unemployment is one of the main causes of inequality; stresses the necessity of closing the investment gap and the need to create a business environment conducive to investment in strategic areas and new technologies in order to reduce inequalities, revive growth, fight unemployment, promote the development of a strong, sustainable and competitive industry and attain long-term EU policy objectives; underlines the fact, moreover, that high levels of unemployment exert downward pressure on wages and can, in some cases, also have a detrimental effect on working and societal conditions; stresses that the fight against unemployment is a necessary, yet not sufficient condition per se, to reduce inequalities;
 - 2. Argues that investment and efficient structures in public services, in combination with the provision of private services, are essential for addressing the qualification dimension of inequality; emphasises that the attainment of higher levels of education and skills for the

¹ Eurostat, http://ec.europa.eu/eurostat/statistics-explained/index.php/Income_distribution_statistics

general population, especially in the field of financial and digital literacy, contributes not only to reducing income inequality, but also to fighting social exclusion; calls on the Commission to ensure that European competition policies enable fair competition and help fight cartels or incompatible state aid, which distort prices and disrupt the functioning of the internal market, with a view to ensuring that consumers are protected;

3. Stresses the importance of the education, training and retraining of workers as a basic lifelong learning tool to increase the number of and reinforce the skills required in order to help workers participate successfully in the labour market, and to combat unemployment, so as to ensure that the technological advancements that we are currently facing do not become a source of inequalities; stresses that these lifelong learning policies should promote the refreshing of skills and requalification of workers, particularly those who possess low- to medium-level skills and those who are most exposed to the risk of social inequality;
4. Underlines the fact that modern societies are facing crucial social challenges that involve inequality issues, despite the mitigating effects of the existing welfare state; stresses that dealing with these challenges is both a responsibility for public services and policy-making and an opportunity for private investors; agrees with the Commission's view that tackling income inequality and poverty requires a comprehensive set of preventive and mitigating policies, including equal access to education and health care, improved labour market opportunities and earning prospects, affordable quality services and well-designed tax and benefit systems; points out that EU initiatives to coordinate Member States' social policies need to take account of the level of economic development of each Member State and allow them to design social systems which match their own particular circumstances; considers that the European Pillar of Social Rights, which was launched by the Commission, paves the way for coordinating measures to combat inequalities;
5. Notes, as the conclusions of the TAXE I, TAXE II and PANA committees point out, the crucial role of tax policies in collecting revenues and their redistributive function in correcting inequalities of income and wealth; highlights, in this regard, that tax evasion and avoidance have an impact on public finances and public policies; stresses that better tax justice, the fight against illicit financial flows and measures against intra-community VAT fraud can increase tax revenues and, at the same time, put an end to tax havens for multinational companies, including European companies; invites the Member States to adopt progressive and fair national tax systems in order to reduce inequality, and to intensify the fight against tax evasion and tax avoidance in order to improve the collection of tax revenues;
6. Reiterates that the Member States have the leading role in monitoring their social situation, by identifying the current needs of their citizens to shape their employment and social policies, and stresses that the EU should support and encourage these efforts; calls on the Commission to evaluate the implementation of the various pieces of legislation dealing with inequality and to propose their subsequent review in the event that shortcomings are identified; notes that there should be the possibility to assess the effectiveness of these policies in reducing inequalities by examining changes in income groups in particular, including, where appropriate, within the European Semester.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	25.9.2017
Result of final vote	+: 39 -: 9 0: 1
Members present for the final vote	Gerolf Annemans, Hugues Bayet, Pervenche Berès, Esther de Lange, Jonás Fernández, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Petr Ježek, Barbara Kappel, Othmar Karas, Georgios Kyrtos, Philippe Lamberts, Werner Langen, Sander Loones, Bernd Lucke, Olle Ludvigsson, Fulvio Martusciello, Marisa Matias, Gabriel Mato, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Dimitrios Papadimoulis, Sirpa Pietikäinen, Pirkko Ruohonen-Lerner, Anne Sander, Molly Scott Cato, Pedro Silva Pereira, Paul Tang, Ramon Tremosa i Balcells, Marco Valli, Tom Vandenkendelaere, Cora van Nieuwenhuizen, Jakob von Weizsäcker, Marco Zanni, Sotirios Zarianopoulos
Substitutes present for the final vote	Enrique Calvet Chambon, Matt Carthy, Lara Comi, Mady Delvaux, Herbert Dorfmann, Manuel dos Santos, Syed Kamall, Tibor Szanyi, Lieve Wierinck
Substitutes under Rule 200(2) present for the final vote	Wajid Khan, Bogdan Brunon Wenta

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ALDE	Enrique Calvet Chambon, Petr Ježek, Ramon Tremosa i Balcells, Lieve Wierinck
EFDD	Marco Valli
GUE/NGL	Matt Carthy, Marisa Matias, Dimitrios Papadimoulis
PPE	Lara Comi, Herbert Dorfmann, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtzos, Werner Langen, Fulvio Martusciello, Gabriel Mato, Luděk Niedermayer, Sirpa Pietikäinen, Anne Sander, Tom Vandenkendelaere, Bogdan Brunon Wenta, Esther de Lange
S&D	Hugues Bayet, Pervenche Berès, Mady Delvaux, Jonás Fernández, Roberto Gualtieri, Wajid Khan, Olle Ludvigsson, Costas Mavrides, Pedro Silva Pereira, Tibor Szanyi, Paul Tang, Manuel dos Santos, Jakob von Weizsäcker
Verts/ALE	Jean Lambert, Molly Scott Cato

9	-
ALDE	Cora van Nieuwenhuizen
ECR	Syed Kamall, Sander Loones, Bernd Lucke, Pirkko Ruohonen-Lerner
ENF	Gerolf Annemans, Bernard Monot, Marco Zanni
NI	Sotirios Zarianopoulos

1	0
ENF	Barbara Kappel

Key to symbols:

+ : in favour

- : against

0 : abstention