European Parliament resolution on reducing inequalities with a special focus on in-work poverty

The European Parliament,

– having regard to Article 5 of the Treaty on European Union,
– having regard to Rule 54 of its Rules of Procedure,

A. whereas the net wealth gap between the richest percentiles and the rest is widening and furthering inequality within European societies;

B. whereas only one in six workers in the European Union earns a decent living wage;

C. whereas the Member States are barely recovering from the labour market downturn following the previous crisis, which led to a dramatic increase in the unemployment rate and the number of involuntary part-time workers, who are most likely to work in basic or lower-level occupations in the service sector and in sectors at very high risk of in-work poverty;

D. whereas in the EU the proportion of workers living in households at risk of poverty has risen from 8 % to 9.4 % in ten years, corresponding to 20.5 million people;

E. whereas 5.8 % of the EU-27 population lived in severe material deprivation in 2019, extreme poverty is currently spreading, and there is a clear risk of the situation getting even worse due to the COVID-19 pandemic, which makes this problem all the more pressing;

F. whereas in 2018, 9.6 % of the EU population spent 40 % or more of their household income on housing; whereas the housing cost overburden rate stood at 10 % or more in: Romania (10.3 %), Germany (14.2 %), Denmark (14.7 %) and Bulgaria (17.9 %);

G. whereas the number of homeless people is increasing across Europe, with an estimated 700 000 people sleeping rough or in emergency temporary accommodation in 2019;
H. whereas the Member States have the sole competence with regard to setting a minimum wage, either statutory or by a system of collective bargaining;

**The effects of migration policies**

I. whereas between 3.9 and 4.8 million illegal migrants live in Europe; whereas every year the European Union receives between 500 000 and 600 000 asylum applications;

J. whereas immigration and the employment of illegal migrants in areas such as the platform economy drive down wages; whereas the presence of a low-cost workforce reduces the room available for manoeuvre in wage negotiations, making many jobs precarious;

**The economic and social consequences of the COVID-19 pandemic**

K. whereas unemployment and precarious and atypical employment increased sharply during the financial crisis of 2008; whereas small and medium-sized enterprises (SMEs), small craftsmen, small traders and cross-border workers are all under pressure; whereas the COVID-19 crisis is also having a negative impact on the social dimension of the labour market;

1. Underlines that decent work for a living wage is the best remedy against poverty;

2. Notes the technological development and changes in the structure of our economies, which may lead to rural areas becoming deserted, since people may be forced to move to cities in search of employment;

3. Encourages the Member States to assess the need to support relocation and investment policies in promising sectors of activity in order to reduce geographical gaps;

4. Considers that immigration is partly responsible for the increase in the number of homeless people and working poor; notes that the number of illegal immigrants present on the territory of the Member States makes the problem worse;

5. Stresses that setting minimum wages, either through collective bargaining or through statutory minimum wages, is the exclusive competence of the Member States and, where appropriate, social partners;

6. Expresses its concern about the employment and working conditions of platform work and the risk of precariousness it entails;

7. Recalls that properly funded public services are an important means of providing quality healthcare, public transport and education;

8. Notes that the health crisis will have long-lasting effects on the Member States’ economies and that the Member States should use all the room for manoeuvre they have available to deal with its dramatic consequences;

9. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.