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## TEXTS ADOPTED

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### **P8\_TA(2017)0451**

#### **Combating inequalities as a lever to boost job creation and growth**

##### **European Parliament resolution of 16 November 2017 on combating inequalities as a lever to boost job creation and growth (2016/2269(INI))**

*The European Parliament,*

- having regard to Article 3 of the Treaty on European Union,
- having regard to the Treaty on the Functioning of the European Union (TFEU), in particular Article 9 thereof,
- having regard to the revised European Social Charter,
- having regard to the Commission publication of 2015 entitled ‘EU Employment and Social Situation – Quarterly Review September 2015’,
- having regard to the Commission communication of 5 March 2014 entitled ‘Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth’ (COM(2014)0130),
- having regard to the Commission publication of 2012 entitled ‘Employment and Social Developments in Europe 2012’,
- having regard to the Commission’s Social Investment Package of 20 February 2013, including recommendation 2013/112/EU entitled ‘Investing in Children: breaking the cycle of disadvantage’,
- having regard to the Commission communication of 16 December 2010 entitled ‘The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion’ (COM(2010)0758),
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020), and to its resolution of 16 June 2010 on EU 2020<sup>1</sup>,
- having regard to its resolution of 14 June 2017 on the need for an EU strategy to end

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<sup>1</sup> OJ C 236 E, 12.8.2011, p. 57.

- and prevent the gender pension gap<sup>1</sup>,
- having regard to its resolution of 14 March 2017 on equality between women and men in the European Union in 2014-2015<sup>2</sup>,
  - having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights<sup>3</sup>,
  - having regard to its recommendation to the Council of 7 July 2016 on the 71st session of the United Nations General Assembly<sup>4</sup>,
  - having regard to its resolution of 14 April 2016 on meeting the antipoverty target in the light of increasing household costs<sup>5</sup>,
  - having regard to its resolution of 24 November 2015 on reducing inequalities with a special focus on child poverty<sup>6</sup>,
  - having regard to its resolution of 16 January 2014 on an EU homelessness strategy<sup>7</sup>,
  - having regard to its resolution of 4 July 2013 on the impact of the crisis on access to care for vulnerable groups<sup>8</sup>,
  - having regard to its resolution of 12 June 2013 on the Commission communication ‘Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020’<sup>9</sup>,
  - having regard to its resolution of 15 November 2011 on the European Platform against poverty and social exclusion<sup>10</sup>,
  - having regard to its resolution of 8 March 2011 on the face of female poverty in the European Union<sup>11</sup>,
  - having regard to its resolution of 8 March 2011 on reducing health inequalities in the EU<sup>12</sup>,
  - having regard to its resolution of 20 October 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe<sup>13</sup>,
  - having regard to its resolution of 9 October 2008 on promoting social inclusion and

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<sup>1</sup> Texts adopted, P8\_TA(2017)0260.

<sup>2</sup> Texts adopted, P8\_TA(2017)0073.

<sup>3</sup> Texts adopted, P8\_TA(2017)0010.

<sup>4</sup> Texts adopted, P8\_TA(2016)0317.

<sup>5</sup> Texts adopted, P8\_TA(2016)0136.

<sup>6</sup> OJ C 366, 27.10.2017, p. 19.

<sup>7</sup> OJ C 482, 23.12.2016, p. 141.

<sup>8</sup> OJ C 75, 26.2.2016, p. 130.

<sup>9</sup> OJ C 65, 19.2.2016, p. 68.

<sup>10</sup> OJ C 153 E, 31.5.2013, p. 57.

<sup>11</sup> OJ C 199 E, 7.7.2012, p. 77.

<sup>12</sup> OJ C 199 E, 7.7.2012, p. 25.

<sup>13</sup> OJ C 70 E, 8.3.2012, p. 8.

combating poverty, including child poverty, in the EU<sup>1</sup>,

- having regard to the question for oral answer O-000047/2016 – B8-0369/2016 on tackling inequalities in order to boost inclusive and sustainable economic growth in the EU,
- having regard to the opinion of the European Economic and Social Committee of 10 December 2013 on ‘European minimum income and poverty indicators’<sup>2</sup>,
- having regard to the opinion of the European Economic and Social Committee of 15 June 2011 on the ‘European Platform against Poverty and Social Exclusion: a European framework for Social and Territorial Cohesion’<sup>3</sup>,
- having regard to the opinion of the European Economic and Social Committee of 30 September 2009 entitled ‘Work and poverty: towards the necessary holistic approach’<sup>4</sup>,
- having regard to the opinion of the Committee of the Regions of 31 March 2011 on the European Platform against Poverty and Social Exclusion<sup>5</sup>,
- having regard to the annual report of 10 March 2015 by the Social Protection Committee entitled ‘Social situation in the European Union (2014)’<sup>6</sup>,
- having regard to the opinion of the Social Protection Committee of 15 February 2011 entitled ‘The European Platform against Poverty and Social Exclusion: Flagship Initiative of the Europe 2020 Strategy’<sup>7</sup>,
- having regard to the Eurofound report ‘Third European Quality of Life Survey – Quality of life in Europe: Impacts of the crisis’,
- having regard to the Eurofound report ‘Third European Quality of Life Survey – Quality of life in Europe: Social inequalities’,
- having regard to the Eurofound report ‘Income inequalities and employment – patterns in Europe before and after the Great Recession’,
- having regard to the Eurofound overview report ‘Sixth European Working Conditions Survey’,
- having regard to the Eurofound report ‘Social mobility in the EU’,
- having regard to the Eurofound report ‘New forms of employment’,
- having regard to Eurofound’s topical update, ‘Pay inequalities experienced by posted workers: Challenges to the “equal treatment” principle’, which provides a detailed overview of governments’ and social partners’ positions across Europe as regards the

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<sup>1</sup> OJ C 9 E, 15.1.2010, p. 11.

<sup>2</sup> OJ C 170, 5.6.2014, p. 23.

<sup>3</sup> OJ C 248, 25.8.2011, p. 130.

<sup>4</sup> OJ C 318, 23.12.2009, p. 52.

<sup>5</sup> OJ C 166, 7.6.2011, p. 18.

<sup>6</sup> <http://ec.europa.eu/social/BlobServlet?docId=13608&langId=en>

<sup>7</sup> Opinion of the Social Protection Committee addressed to the Council, Council of the European Union, 649/11, SOC 124, 15 February 2011.

- principle of equal remuneration for equal work,
- having regard to the Eurofound report ‘Developments in working life in Europe: EurWORK annual review 2016’, and specifically to its chapter ‘Pay inequalities – Evidence, debate and policies’,
  - having regard to the Eurofound report ‘Occupational change and wage inequality: European Jobs Monitor 2017’,
  - having regard to the Eurofound report ‘Women, men and working conditions in Europe’,
  - having regard to the Commission publication ‘European Economic Forecast Spring 2016’<sup>1</sup>,
  - having regard to the UN’s 2030 Agenda for Sustainable Development, and specifically to its Sustainable Development Goal (SDG) No 10, ‘Reduce inequalities within and among countries’,
  - having regard to the UN report ‘World Social Situation 2007: The Employment Imperative’,
  - having regard to the OECD report of 21 May 2015 entitled ‘In It Together: Why Less Inequality Benefits All’,
  - having regard to the OECD report of 19 December 2011 entitled ‘Divided We Stand: Why Inequality Keeps Rising’,
  - having regard to the OECD report of October 2008 entitled ‘Growing Unequal?: Income Distribution and Poverty in OECD countries’,
  - having regard to the IMF staff discussion note of 17 February 2014 entitled ‘Redistribution, Inequality and Growth’<sup>2</sup>,
  - having regard to the IMF staff discussion note of 8 April 2011 entitled ‘Inequality and Unsustainable Growth: Two Sides of the Same Coin?’<sup>3</sup>,
  - having regard to the ILO publication of 3 June 2013 ‘World of Work Report 2013: Repairing the economic and social fabric’ and its chapter ‘Snapshot of the United States’,
  - having regard to the report published in September 2014 by University College, London as part of the ‘DRIVERS For Health Equity project’, entitled ‘Final Scientific Report: Social Inequalities in early childhood health and development: a European-wide systematic review’,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinion of the Committee on Economic and Monetary Affairs and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-

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<sup>1</sup> European Commission, Institutional Paper 025, May 2016.

<sup>2</sup> Authors: Jonathan D. Ostry, Andrew Berg and Charalambos G. Tsangarides.

<sup>3</sup> Authors: Andrew Berg and Jonathan D. Ostry.

0340/2017),

- A. whereas equality and fairness are an integral part of European values and a cornerstone for the European social model, the EU and its Member States; whereas the objectives of both the Member States and the EU include the promotion of employment, with a view to lasting high employment and combating exclusion;
- B. whereas inequality can undermine social trust and erode support for democratic institutions; whereas measures to combat inequality must be enhanced in economic, social and regional terms in order to promote harmonious development across the Union;
- C. whereas inequality refers both to the income gap between individuals and to individuals' loss of opportunities impeding the potential improvement of their abilities and skills and curbing their development and, consequently, their potential contribution to society;
- D. whereas the root cause of shrinking demand is the economic and financial crisis that has been rampant in the euro area for over a decade;
- E. whereas inequality and unemployment curtail effective demand, frustrate innovation, and can lead to increased financial fragility; whereas high and rising inequality hinders not only progress towards eradicating poverty, but also efforts to enhance social inclusion and social cohesion;
- F. 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 EU were at risk of poverty in 2015<sup>1</sup>;
- G. whereas inequality undermines growth and quality job creation<sup>2</sup>, according to international institutions such as the IMF<sup>3</sup> or the OECD<sup>4</sup>, which have also stated that excessively high and rising inequality have direct social costs, hamper social mobility and can also inhibit sustainable growth, today and in the future;
- H. whereas one of the five Europe 2020 targets aims to reduce by at least 20 million the number of people in or at risk of poverty and social exclusion, from 115,9 million in 2008 to no more than 95,9 million by 2020; whereas in 2015 there were 117,6 million people at risk of poverty and social exclusion, exceeding the 2008 figure by 1,7 million; whereas 32,2 million persons with disabilities were at risk of poverty and social exclusion in the EU in 2012; whereas in 2013 26,5 million children in the EU-28 were at risk of falling into poverty or social exclusion; whereas the proportion of the

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<sup>1</sup> Eurostat: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Income\\_distribution\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Income_distribution_statistics)

<sup>2</sup> IMF (2017), 'IMF Working Paper WP 17/76: Inequality Overhang'. Authors: Francesco Grigoli and Adrian Robles, Washington, D.C.: International Monetary Fund.

<sup>3</sup> IMF (2015), Causes and Consequences of Income Inequality: A Global Perspective. Staff Discussion Note SDN/15/13 Washington, D.C.: International Monetary Fund. <http://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

<sup>4</sup> OECD (2015), 'In It Together. Why Less Inequality Benefits All', Paris: OECD Publishing.

population at risk of poverty or exclusion is still unacceptably high at 23,7 %, with figures remaining very high in some Member States; whereas, moreover, energy poverty remains so high that for the 11 % of the EU population affected it leads to a cycle of economic disadvantage<sup>1</sup>;

- I. whereas the increase in inequality arising from the crisis has affected women in particular, exacerbating poverty among women and increasingly excluding them from the labour market; whereas women's participation in the labour market should be increased through the efficient implementation of the existing and complementary legislation on equality between women and men and the improvement of the current policy framework with a view to enhancing work-life balance;
- J. whereas there is a positive correlation between enhanced equality between women and men and stronger economic growth, inclusiveness, job creation and business prosperity; whereas reducing occupational inequality is a means not only to achieve equal treatment but also to ensure labour market efficiency and competitiveness;
- K. whereas the OECD has highlighted that 'lowering inequality by 1 Gini point would translate into an increase in cumulative growth of 0,8 % in the following five years'<sup>2</sup>.
- L. whereas according to Eurofound, 'atypical work' refers to employment relationships not conforming to the standard or typical model of full-time, regular, open-ended employment with a single employer over a long time-span; whereas according to the ILO, 'non-standard forms of employment' is an umbrella term for different employment arrangements that deviate from standard employment, including temporary employment, part-time and on-call work, temporary agency work and other multi-party employment relationships, as well as disguised employment and dependent self-employment;
- M. whereas increased inequality is associated with decreased social mobility, reduced human capabilities and limits on fundamental rights and freedoms; whereas the Eurofound report of 2017 on social mobility in the EU<sup>3</sup> provides evidence that social background continues to determine life chances in many of the Member States;
- N. whereas growth in the Member State economies depends on multiple factors; whereas increasing inequality could have a negative impact on growth; whereas the IMF has identified at global level 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;
- O. 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, disability, sexual preferences, geographical

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<sup>1</sup> Eurostat: [http://ec.europa.eu/eurostat/statistics-explained/images/f/f8/People\\_at\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion%2C\\_EU-27\\_and\\_EU-28%2C\\_2005-2015.JPG](http://ec.europa.eu/eurostat/statistics-explained/images/f/f8/People_at_risk_of_poverty_or_social_exclusion%2C_EU-27_and_EU-28%2C_2005-2015.JPG)

<sup>2</sup> OECD (2015), 'In It Together. Why Less Inequality Benefits All', p. 67.

<sup>3</sup> Eurofound (2017), 'Social mobility in the EU', Luxembourg: Publications Office of the European Union.

location or age; whereas multiple inequalities in access to work and within work create a risk for individuals' health and wellbeing, and financial opportunities and might therefore lead to low productivity;

- P. whereas unequal coverage in the area of social protection is analysed in Eurofound's report on 'New Forms of Employment'<sup>1</sup>, which includes a focus on the most problematic of these forms from a social protection perspective, namely casual work, providing examples of legislation that specifically excludes casual workers, and of other legislation which aims to include them, typically by compensating on the basis of income thresholds; whereas voucher work and strategic employee sharing are examples of non-standard work that aim to address the inadequacies of social protection in occasional or part-time work;
- Q. whereas societies with greater income inequalities have higher rates of poor health and violence, lower maths and literacy scores, higher obesity rates, and higher imprisonment and homicide rates<sup>2</sup>; whereas more equal societies incur less welfare expenditure for the state;
- R. whereas inequalities throughout the life cycle are reflected in inequalities in old age such as lower healthy life expectancy, old-age poverty, and a gender pension gap of almost 40 %; whereas European strategies for the eradication of poverty are necessary for achieving sustainable development for all;
- S. whereas economic security is an important factor for human fulfilment;
- T. whereas on 5 October 2015 the Council adopted conclusions on 'the 2015 Pension Adequacy Report: current and future income adequacy in old age in the EU', considering it 'essential that public pension or other social protection schemes contain appropriate safeguards for women and men whose employment opportunities do or did not allow them to build up sufficient pension entitlements' and further stating that 'such safeguards notably include minimum pensions or other minimum income provisions for older people'<sup>3</sup>;
- U. whereas the lack of sufficient funding for public education is a major cause of future social disparities and increasing inequality;
- V. whereas between 2005 and 2015 the Gini coefficient for the EU increased from 30,6 to 31 and the income inequality between the top and bottom 20 % of the population increased from 4,7 to 5,2; whereas the proportion of people at risk of monetary poverty is closely linked to income inequality and monetary poverty has increased steadily since 2005; whereas between 2008 and 2014 several Member States witnessed rising

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<sup>1</sup> [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1461en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1461en.pdf)

<sup>2</sup> 'Inequality and mental illness', R. Wilkinson and K. Pickett, Department of Health Sciences, University of York, UK; published on-line 25 May 2017; S2215-0366(17)30206-7.

<sup>3</sup> COREPER I, 'Adequate retirement incomes in the context of ageing societies – Draft Council Conclusions', 12352/15: <http://data.consilium.europa.eu/doc/document/ST-12352-2015-INIT/en/pdf>

inequality in terms of household disposable income<sup>1</sup>;

- W. whereas disparities between and within Member States' economic growth are leading to economic imbalances within the Union; whereas these highly unequal economic trends have generated excessive unemployment and poverty pockets;
- X. whereas the global evolution of inequalities is consistent with a steady increase in inequality in developed countries since the 1980s, with inequality rising, according to the OECD<sup>2</sup>, regardless of the economic cycle (with specific exceptions), thus increasing the Gini coefficient by three points, from 0,29 to 0,32, between 1980 and 2013, signifying a 10 % increase in the last decades;
- Y. whereas although the level of inequality can be determined by many factors, it is institutions and authors of political interventions that are responsible for addressing them specially at structural level; whereas there is an investment gap in the EU and public and private investment are key elements in 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;
- Z. whereas trends in inequality do not necessarily coincide with trends in absolute and extreme forms of poverty such as homelessness;
- AA. whereas providing adequate support and funding around sustainable and permanent housing is essential for access to employment, education and health and for strengthening integration and local acceptance; whereas safeguarding the liveability of neighbourhoods and fighting segregation are an important part of supporting integration and reducing inequalities;
- AB. whereas according to Eurostat the proportion of the population at risk of poverty in the EU in 2015 was 24,4 %, rising to 26,9 % for children;
- AC. whereas women are disproportionately affected by the crisis, and whereas green jobs have proven to be more crisis-resistant than others;
- AD. whereas women are at higher risk of poverty and precariousness;

### ***Establishing European policy coordination for combating inequality***

1. Affirms that inequalities threaten the future of the European project, erode its legitimacy and can damage trust in the EU as an engine of social progress, a dimension of the Union which needs to be developed; recalls that current inequalities have negative effects undermining political and social stability; emphasises that fostering upward convergence and improving the life of all European citizens needs to continue to be the driver for further integration;
2. Believes firmly that the reduction of inequalities must be one of the main priorities at

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<sup>1</sup> Eurofound (2017), 'Income inequalities and employment patterns in Europe before and after the Great Recession'.

<sup>2</sup> OECD (2015), 'In It Together. Why Less Inequality Benefits All', Paris: OECD Publishing.

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;

3. Highlights that reducing inequalities is essential for promoting fairer and more stable democracies, guaranteeing equal treatment without double standards, marginalising populism, extremism and xenophobia, and ensuring that the European Union is a project embraced by its citizens;
4. Reminds the Commission and the Member States that the European Union must fulfil its commitments under the Treaties in terms of promoting the wellbeing of its peoples, full employment and social progress, social justice and protection, equality between women and men, equality between citizens from different socio-economic backgrounds, solidarity between generations, protection of the rights of the child and social inclusion of all people who are in vulnerable situation or suffer from marginalisation;
5. Asks the Commission and the Member States, in accordance with their respective competences, to evaluate the performance and outcomes of economic policy coordination, taking into account the evolution of social progress and social justice in the EU; observes that the European Semester has not prioritised the achievement of these aims and the reduction of inequalities; urges 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 or negatively affect social justice, putting in place preventive and corrective measures when necessary; believes that specific policies aimed at fighting economic inequalities should be considered and included, where appropriate, in the European Semester;
6. Believes that social measures can be regarded in some cases as alleviating measures and should be complemented with economic policies and socially responsible structural reforms in order to achieve positive, long-lasting and sustainable economic growth and structurally reduce the trend to inequality in the medium and long term;
7. Urges the Commission, within the scope of the European Semester, and without prejudice to national competences, to better assess imbalances in terms of income and wealth distribution, also through individual in-depth review (IDR) reports if these imbalances are detected, as a way to link economic coordination with employment and social performance; calls on the Commission to establish an accurate and up-to-date picture of the differences in income and wealth, social cohesion and social inclusion between and within countries, and to justify its proposals and recommendations for political decisions with solid and detailed data; calls on the Commission to study which should be the most accurate indicators of economic inequality (from among the Gini index, Palma indexes, Theil index, wage share, ratio of minimum wage to GDP per capita or to average wage, etc.), and to monitor the evolution of inequalities, also taking into account the overall competitiveness and productivity of all factors;
8. Notes that regions which suffer from severe and permanent natural or demographic handicaps, such as the northernmost regions with their very low population density, the island, cross-border and mountain regions referred to in Article 174 TFEU, and remote and depopulated regions, have greater difficulty in providing access to public services such as healthcare and education and that, as a result, those services are frequently a greater burden on public finances and recipients need to travel further to obtain them;

9. Reiterates the need to channel investment towards improved territorial cohesion, so as to enhance the industrial fabric of regions with severe and permanent natural or demographic disadvantages, especially regarding broadband access;
10. Urges the Commission to 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;
11. Reiterates 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;
12. Calls on the Commission to strengthen its efforts to work with Member States to achieve all the Europe 2020 strategy targets, including the reduction of poverty and social exclusion by 20 million, and to align the scope of the Europe 2020 strategy with the 2030 Agenda for Sustainable Development, therefore also including the fight against inequality and extreme poverty among its goals; asks the Commission to continue paying close attention to the implementation of the Europe 2020 strategy targets and to take into consideration the Eurostat scoreboard on Europe 2020 headline indicators, also in the European Semester procedure and the Country-Specific Recommendations;
13. Calls on the Commission and on the Member States, recalling that the latter are primarily responsible for their social policies, which must be supported and complemented by European action, to strengthen their efforts for the reduction of inequality between income groups, and to encourage an adequate framework of measures which ensures, among other things, decent working conditions for all, public education, health, pensions, adequate public infrastructure and social services, and encourages equal opportunities; stresses that such a framework should enable a well-functioning 'social lift';
14. Underlines that the Union budget should establish the implementation of appropriate policies for reducing inequalities and increased social cohesion;
15. Stresses the primacy of fundamental rights; emphasises that labour law and high social standards have a crucial role to play in rebalancing economies, supporting incomes and encouraging investment capacity; recalls the importance of respecting social rights as enshrined in the Charter of Fundamental Rights of the EU, including trade union rights and freedoms and collective bargaining rights, and upholding equal treatment of workers;
16. Points out that we cannot ignore the future importance of sectorial policies for reducing inequalities and that, in particular, the need for further development of the internal market and for an investment policy at European and national level (e.g. in major infrastructures, healthcare, education) and the formulation of all aspects of energy policy must take account of the opportunities such policies offer in terms of economic, social and territorial factors, in order to guarantee equal opportunities; calls on the Commission to 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;

***Measures to boost decent job creation and quality employment***

17. Expresses its concern regarding the evolution of inequality in the EU after the crisis, which was largely driven by growing unemployment; is of the opinion that unemployment is a source of inequalities and that policies for the creation of decent jobs and quality employment targeted on the main unemployment pockets could help improve household incomes in the bottom quintile;
18. Calls on the Commission to include in the upcoming revision of the Written Statement Directive provisions that eliminate discrimination based on contractual status and that ensure for every worker the right to fair terms and conditions of employment in line with ILO Decent Work standards;
19. 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 per se is a necessary but not a sufficient condition for reducing inequalities;
20. Calls on the Commission to propose a higher funding level for the Youth Employment Initiative (YEI) for the period 2017-2020, including better reaching young people under 30; calls on the Commission to contribute to better implementation of the Youth Guarantee, by focusing more on the most vulnerable young people who often have to cope with complex needs, taking into account the latest findings of the European Court of Auditors' report on use of the YEI and ensuring an accurate and transparent implementation and assessment;
21. Stresses the importance of following more closely young people leaving the Youth Guarantee/Youth Employment Initiative with a view to their lasting and efficient integration into the labour market; calls on the Commission to study the possibility of further flexibility of the YEI, also for well-performing countries in terms of youth policies, integrating schemes for the protection of young people in transition from education or higher education to work, in order to compensate for the exclusion of young people from contributory schemes of social protection in Europe;
22. Stresses that programmes such as the Youth Guarantee and the YEI must not be a substitute for Member States' own efforts to fight youth unemployment and promote sustainable integration into the labour market; acknowledges that quality and accessible education is the decisive factor for overcoming inequalities; calls, therefore, for increased investment in public education and lifelong learning;
23. Calls on the Commission and the Member States to emphasise the need to promote green jobs and boost employment in rural and declining areas and make such areas more attractive to women;
24. Calls on the Commission, through the ESF and the European Semester procedure, and the Member States, through their National Reform Programmes, to ensure full implementation of the measures at national level outlined in the Council recommendation on the labour market integration of the long-term unemployed;
25. Calls on the Commission and the Member States to complement the Economic and

Monetary Union with a fully-fledged European labour market combined with wide social protection coverage; believes that well-functioning labour markets and coordinated and robust welfare systems are vital to the success of the European monetary union and are part of a broader upward convergence process towards economic, social and territorial cohesion; calls on the Commission, in this sense, to present a study on how the EU can support and promote Guaranteed Public Employment Programmes at national level;

26. Calls on the Member States to ensure better alignment of education and training with labour market needs across the EU, creating more opportunities for mobility and improving recruitment and training strategies – particularly by means of ‘on-the-job’ training and targeted investment that will boost job creation and increase demand for employment; recalls that reskilling is an important element which makes it possible to reintegrate people back into the labour market and helps in tackling long-term unemployment and achieving a better match of skills with available jobs; stresses that skills validation and recognition of formal and informal learning are important tools to enable acquired skills to be valued in labour markets; insists that lifelong learning opportunities should be promoted along the whole of the life cycle, including old age, so that they can play out their full potential in fighting inequalities;
27. Calls on the Commission and the Member States to work together on addressing discrimination in recruitment and discriminatory recruitment procedures which prevent people from entering the labour market for reasons of (among others) gender, gender identity or expression, sexual orientation, sex characteristics, ethnicity, disability or age;

### ***Improving working and living conditions***

28. Expresses its concern over the amount of undeclared work, atypical work contracts and other forms of non-standard employment, which can give rise to precarious working conditions, lower wages, exploitation and poorer social security contributions, as well as rising inequality in some Member States; recalls that adequate social security and social protection need to be provided to protect all workers; calls on the Commission and the Member States to step up their efforts to fight the shadow economy and undeclared work;
29. Considers that the quality of jobs throughout the EU should be improved, especially regarding living wages, job security, access to education and lifelong learning and occupational health and safety; calls on the Commission to support further research in relation to monitoring and improving quality job creation and overall competitiveness in the EU, based on Eurofound’s research;
30. Considers that certain forms of employment, such as zero-hours contracts and unpaid internships, do not permit a decent standard of living; considers it crucial to ensure proper learning and training opportunities and decent working conditions, where applicable, for internships, traineeships and apprenticeships, to establish limits on non-standard forms of work, and to prevent the use of zero-hours contracts, the use of temporary agency workers to replace workers on strike, and the use of fixed-term contracts for permanent tasks;
31. Observes that voluntary part-time work may encourage certain categories of persons to participate in the labour market that are currently under-represented and be useful for work-life balance arrangements;

32. Believes strongly that an accurate common employment classification at the European level could be explored in order to reduce precariousness on the basis of scientifically established facts and data; is convinced that applying the principle of equal pay for equal work done in the same place will help reduce inequalities between workers;
33. Highlights the importance of properly studying the different effects and aspects of increasing automation and the impact of the delay in adapting legislation, which could threaten to exert downward pressure on social protection systems and wages, especially affecting low-skilled and medium-skilled workers; emphasises, in that connection, the importance of keeping social protection and wages at adequate levels;
34. Considers that the New Skills Agenda must provide affordable access for all workers to lifelong learning and ensure adaptation to digitalisation and permanent technological change;
35. Takes due note of the European Economic and Social Committee's Opinion on a framework directive on adequate minimum income in the European Union, which should lay down common rules and indicators and provide methods for monitoring its implementation; stresses that the tool of reference budgets, which indicate the cost of living in dignity for different housing arrangements, household compositions and ages, could be used to assess the adequacy of minimum income schemes introduced by Member States;
36. Is concerned about the high levels of non-takeup of minimum income schemes where they exist, which point up the many barriers existing, including intrusive procedures and stigma linked to applying under those schemes; believes that income support programmes are vital to avoid unequal economic trends, by supporting individuals before they reach the stage of poverty and social exclusion;
37. Stresses the importance of social dialogue and collective bargaining for determining wages, and the need for these mechanisms to remain in the hands of the social partners in line with their autonomy as enshrined in the Treaties; calls on the Commission to carry out a study on a living wage index in order to estimate the cost of living and the approximate income needed to meet a family's basic needs for each Member State and region; highlights that for all households, an adequate income level is essential to enable the working poor to achieve financial independence while maintaining housing and food security;
38. Stresses that regarding the long-term financing of the construction of new dwellings, besides the ESI Funds and EFSI, other forms of both private and public funding should be mobilised as a way to step up the activities of national public banks or other agencies in the field of affordable and social housing;
39. Calls on the Commission to improve workers' occupational health and safety, including by proper enforcement of the Working Time Directive;
40. Recalls that the right of collective bargaining and action is a fundamental right in the EU and that the European institutions must respect it, observe its principles and promote its application<sup>1</sup>; believes that the declining bargaining power of workers and

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<sup>1</sup> In line with Article 51 of the Charter of Fundamental Rights of the European Union.

trade unions has not contributed to those objectives and could be a cause of low wage growth and the proliferation of insecure work;

41. Notes the importance of protecting workers' rights and fostering the bargaining power of employees through structural reforms of labour markets that promote sustainable growth, decent jobs, shared prosperity and social cohesion; stresses the role of dialogue between social partners in addressing inequalities in the labour market; calls on the Member States and the EU to ensure the right to unionise as well as the strength and autonomy of both trade unions and employers' associations when engaging in negotiations at any level;
42. Highlights, in addition, the importance of civil dialogue with representatives of different groups of society, especially of those at higher risk of poverty and social exclusion, when discussing matters relating to inequalities;
43. Calls for the implementation of an anti-discrimination policy that plays a key role in ensuring equal employment opportunities and promoting social inclusion; calls on the Member States to unblock the anti-discrimination directive;
44. Calls on the Member States to take action to ensure that discrimination, harassment and violence based on gender, gender identity or expression, sexual orientation and sex characteristics (among others) is addressed in the workplace, and that clear reporting and support mechanisms for victims and procedures against perpetrators are in place;

#### ***Strengthening the welfare state and social protection***

45. Highlights that in many countries welfare and social protection systems have come under pressure, being impacted by financial consolidation with repercussions in terms of income inequalities; believes that welfare systems should act as a safety net and also facilitate inclusion in the labour market; emphasises the need for a multidimensional approach to the achievement of greater equality and social cohesion, as reflected in the horizontal social clause (Article 9 TFEU), focusing on the social dimension of union policies and the commitment to apply the principle of social mainstreaming to all Union policies;
46. States that social progress, as defined in the European social progress index, is the capacity of a society to meet the basic human needs of its citizens, to establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and to create the conditions for all individuals to reach their full potential;
47. Encourages 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, economic and then social crises with which the Member States have had to cope;
48. Calls on the Member States to boost investment in quality and affordable early childhood education and care services, stressing that such investment appears to pay off, particularly for children from disadvantaged families; calls on the Member States, with the support of the Commission and in line with the Barcelona targets, to take the appropriate measures to ensure universal and affordable access to quality public education from an early age (0-3), since this is key for combating inequalities in the

long term;

49. Calls for universal access to affordable housing, protecting vulnerable households against eviction and over-indebtedness, and promoting an effective second chance framework for individuals and families at the European level;
50. Urges Member States to act swiftly on the current migration and refugee crisis and to 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;
51. Affirms that universal access to public, solidarity-based and adequate retirement and old age pensions must be granted to all; calls on the Commission to support Member States in strengthening public and occupational pension systems to provide an adequate retirement income above the poverty threshold, and to allow pensioners to maintain their standard of living and to live in dignity and independence; reiterates its call for care credits in pension systems to compensate for lost contributions of women and men due to childcare and long-term care responsibilities, as a tool to reduce the gender pension gap; highlights that while personal pension schemes can be important tools to improve pension adequacy, statutory solidarity-based pension systems remain the most efficient tool for combating old-age poverty and social exclusion;
52. Highlights that the fundamental rights of people with disabilities should be guaranteed, including the right to decent and barrier-free work, services and basic income security adapted to specific individual needs, decent standards of living and social inclusion, and specific provisions on protection from exploitation and forced labour;
53. Considers that international trade has been an engine for growth but that the benefits are not always well distributed and this can be perceived as a source of inequalities; calls on the Commission and the Member States to promote fairer international trade agreements that respect European labour market regulations and ILO core conventions, while also protecting quality employment and workers' rights and ensuring European and national mechanisms for the compensation of workers and sectors negatively affected by major changes in world trade patterns due to globalisation, including the European Globalisation Adjustment Fund;
54. Calls on the Commission to ensure that EU 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;

### ***Combating poverty and social exclusion***

55. Considers that the right to equal opportunities should be ensured in the European Union; is concerned that the current inequality of outcomes that affects everyone living in the EU, but especially children and young people, is often aggravated by the non-egalitarian design of education systems and has damaging consequences for young people's wellbeing and development as individuals, thereby contributing to a low sense of self-worth or inclusion in society of European youth, especially those lacking resources and opportunities;
56. Stresses that education has a key role to play in reducing inequalities, and, in that

connection, calls on the Member States to step up their efforts and earmark sufficient investment in order to guarantee equal opportunities; affirms the importance of universal access to education and access to student support for young people in higher education; calls on the Commission to support Member States in creating adequate, decent and accessible housing for young people in order to sustain their transitions;

57. Calls on the Commission and the Member States to step up the fight against poverty, especially among children, by setting targets to reduce child poverty, by exploring the coordinated implementation of the Recommendation on Investing in Children, and through the creation of a child guarantee scheme;
58. Stresses, further, that many cultural and sporting activities are powerful tools for cohesion and social integration, and points out that these activities can improve the employment prospects of the least-favoured members of society by teaching them soft skills;
59. Calls on the Member States to achieve the goals of the Europe 2020 strategy as regards reducing poverty and the risk of social exclusion;
60. Considers the rapid increase of homelessness in most EU Member States to be an issue of urgent concern; believes that, in line with the principles outlined in the Social Rights Pillar, the Commission should support Member States in their efforts to curb the rising trend of homelessness with a view to its gradual elimination;

### ***Achieving a real gender balance***

61. Notes that the Commission has responded to its call for a better work-life balance for women and men living and working in the EU, through the proposal for a directive on work-life balance for parents and carers to meet the challenges of the next decades; recalls its call for adequate remuneration and social protection, and stresses that the proposals put forward by the Commission are a good basis on which to increase women's participation in the labour market and boost work-life balance and flexible working arrangements for both women and men, as a means of reducing inequalities in paid and unpaid work;
62. Stresses that further inclusion of women in the labour market, by improving support for female entrepreneurship as well as by closing the gap between women's educational attainment and their position in the labour market and safeguarding equal opportunities between men and women in terms of pay, career advancement and opportunities for working full-time, are all essential factors for the achievement of inclusive and long-term economic growth, eliminating the gender pension gap, combating inequalities and fostering women's financial independence;
63. Calls on the Commission to put forward initiatives, if necessary, to remove any kind of gender pay gap, setting penalties for Work Centres that violate the right to equality by establishing different wages for identical job categories, depending on whether they are occupied mainly by men or by women.
64. Regrets the fact that, despite existing legislation enshrining the principle of equal pay for work of equal value by male and female workers, there is still a gender pay gap and an even greater gender pension gap; calls on the Commission and the Member States and social partners to address the gender gap challenge in pay and pensions;

65. Is concerned at the increase in the poverty rate, particularly among women and the fact that it is single mothers, young women and older women in particular who are affected by poverty; points out that the reduction of poverty levels by 20 million people by 2020 can be achieved through anti-poverty and active labour market policies that are grounded in gender mainstreaming focused primarily on increasing and supporting women's participation in the labour market; notes that poverty continues to be measured on accumulated household income, which assumes that all members of the household earn the same and distribute resources equally; calls for individualised rights and calculations based on individual incomes in order to reveal the true extent of women's poverty;
66. Recalls the important role of quality public services in achieving gender equality as well as tax and benefit systems free from disincentives for second earners to work or work more, as this might improve women's labour market participation;
67. Reiterates its call on the Council to ensure the swift adoption of the directive on gender balance among non-executive directors of listed companies, as an important first step towards equal representation in both public and private sectors;

### *Modernising tax systems*

68. Calls on the Commission and the Member States to correct excessive interpersonal inequalities by supporting and encouraging the most productive forms of investment; recalls that to that end, objective taxation policies are crucial and that many Member States need a deep tax reform; calls on the Commission to monitor, advice, promote and prepare benchmarks in the light of the European Semester;
69. Calls on the Commission and the Member States to undertake real actions against tax avoidance and tax fraud, as an important means of reducing economic inequalities and improving the collection of tax revenues in Member States;
70. Calls on the Commission to encourage reforms of Member States' taxation policies so as to ensure adequate public budgets for health, housing, social, employment, and education services; believes this should also involve tackling corruption in public administration and tackling 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; highlights additionally that measures are needed in areas such as financialisation of the economy and further coordination, approximation and harmonisation, where applicable, of tax policy, as well as measures against tax havens, tax fraud and evasion, measures to tackle undeclared work, and measures to optimise the mix of taxes and the respective weight as a share of Member State tax revenue of labour-based and wealth-based tax revenues;

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71. Instructs its President to forward this resolution to the Council and the Commission.