



**Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament**

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The President

Mr Jean-Claude Juncker
President
European Commission

Brussels, 22 October 2018

Dear President,

We write to you at a time in which discomfort among European citizens in relation to the process of globalisation is growing, and more and more people feel they are losing control over their lives. This is creating a clear societal division between those who see opportunity in the emerging globalised society and those who see their lives and communities threatened. For this last group, their disenchantment has brought about an increase of identity politics and nationalism, and Europe has become one of the targets of this revolt with increasing numbers of citizens experiencing feelings of alienation towards the European Union.

Paradoxically, the reality is that concrete answers to this can only come from Europe. It is up to Europe to demonstrate to citizens that Europe is on their side, willing and able to find tangible solutions to improve their daily lives, uphold freedom and increase wellbeing. Such solutions are vital to meet today's challenges which cannot be solved by national action alone and where the European perspective is primordial. The *status quo* can no longer be an option.

In your 2018 State of the Union speech and accompanying Letter of Intent you highlighted some important achievements already delivered, and presented some supplementary measures until the end of the current mandate.

We Socialist and Democrats in the European Parliament believe that fundamental change is needed. The current model of development has shown its limits and can no longer be limited to a narrow vision of the economy. What is needed is a comprehensive approach to sustainability touching all aspects of legislation.

Sustainable development is about turning challenge into opportunity. It is about paving the way for future generations and developing countries to benefit from the same levels of prosperity the current generation has experienced and not leaving them to pick up the bill. It is about delivering a new deal for our continent and our planet for a fairer community of women and men, and taking action together in view of a sustainable development model capable of planting a new social contract at the heart of Europe while preserving our planet for future generations, for our children. In short, we need a solidarity pact for Europe.

We need to start preparing a ***fundamental transformation towards a progressive economic model for Europe*** between now and the next European elections, we can begin to lay the foundations for our future work which must take as a starting point the comprehensive and deep implementation of the European Social Pillar guaranteeing high social standards, decent wages, strong collective bargaining and accountable public services for all. We are convinced that social and ecological goals must be on a par with fiscal ones, in particular to reach the UN's 2030 Sustainable Development Goals. We strongly advocate replacing the current Stability and Growth Pact with a **Sustainable Development Pact**, which also includes fiscal responsibility, a European-wide

poverty reduction strategy and a self-standing strategy to eradicate energy poverty. We urge you to help us lay these foundations by seriously engaging with our proposals for a European Child Guarantee, a Directive on pay transparency to tackle the gender pay gap, a Framework Directive on minimum income, a European unemployment (re) insurance scheme, and the already-promised European Social Security Number. Despite our continuous dialogue on these issues over recent years, it is disappointing to see that these ideas have not been taken on board.

Several years after the outbreak of the US financial crisis, it is too often forgotten that its roots lay in the excessive deregulation of our financial and economic system. In this regard, you can count on our support for your proposal to move to majority voting in areas of taxation and social policy. Fairness and integrity of our social model can no longer be undermined and held hostage by small minorities acting against the common good.

Concerning fair taxation, it is unacceptable that some of the wealthiest and most powerful companies and individuals do not pay their fair share of tax in Europe, particularly in the digital sector. We call for the introduction of a minimum effective rate of corporation tax in Europe, and for Member States to get serious about fighting international tax evasion, tax avoidance and tax havens. We count on the Commission to help us push the Council on ongoing files, especially country by country reporting.

Furthermore, a new economic model must also be engineered to support our long-term decarbonisation goal, even more relevant in light of the latest alarming UN IPCC report. Recent political agreements on renewable energy and energy efficiency, and Parliament's vote for a 40% reduction in car emissions have undoubtedly paved the way for the Union to significantly increase its 2030 greenhouse gas reduction target and as part of the upcoming strategy for long-term emissions reduction we urge you to be bold, withstand pressure from narrow interests, and propose ambitious and binding mid-century targets.

In the digital sphere, we must fully grasp the opportunities arising from the 4th industrial revolution whilst protecting people in new forms of atypical work resulting from digitalisation and putting in place a strong accompanying regulatory framework. To this end we must continue to work on the proposals on cyber security and online platforms and look forward to your support for strong legislative outcomes. Regarding your envisaged Communication on Artificial Intelligence, we call instead for a legislative instrument to tackle concerns surrounding development and use of robotics.

Just a few months out from the European elections, we must work with a sense of urgency to ***protect the integrity of our democracy and uphold the values of pluralism, human rights and the rule of law***. We call on you to help put in place effective mechanisms to monitor the integrity of the forthcoming election campaign and detect unwarranted interference. While we welcome proposals on disinformation and free and fair elections, words alone will solve nothing, and we would urge binding action and concrete measures, for example to ensure fake accounts spreading misinformation are removed and more generally to curb the power of internet giants. On the ongoing legislative front, we pledge to work swiftly on the proposal for a verification procedure for infringements of personal data in the context of the EP elections, as this will be an important tool against unfair attempts to influence the outcome of the vote. In a similar vein, we would urge you to use all your powers of persuasion to help speed up Member States' work on the e-privacy regulation and ensure the General Data Protection Regulation is fully and speedily implemented. We wholly support strengthening the rule of law framework through enhancing the tools available to the Commission and Parliament to help enforce EU values before fundamental rights are breached, and as we proved recently when voting to invoke Article 7 proceedings against Hungary, we will make optimal use of the powers at our disposal.

Moving to ***migration and asylum policy, our guiding principle must be solidarity, dignity and human rights***. The European added value in this area is overwhelming. It is with dismay and sadness that we have seen where isolationist and mean-spirited approaches can lead. We should pride ourselves on protecting those in need and we see well-managed migration as a positive contribution to our communities. We count on your continuing support and courage to face down

myopic national actors and help us ensure the development of controlled, safe and legal pathways for migration, thus discouraging the tragic risking of lives at sea. We also urge you to use all available means to reach agreement on a complete reform of the Dublin Regulation and unblocking the wider asylum package with an approach based on dignity, responsibility and solidarity. It is unacceptable that the Council is considering reneging on political agreements already reached, and is unable to reach a mandate for negotiation on other files.

We also need to work hard to support smooth integration of refugees and migrants, including supporting the key role of local authorities, promoting direct cooperation between the local level and the European Commission through the European Social Fund (ESF) and the European Regional Development Fund (ERDF) in order to develop coherent and effective integration strategies at local, regional and national level.

Now more than ever, ***the world needs a strong European Union, to stand up and become the world's beating heart of decency and integrity.*** To do so we must fully harness our joint diplomatic, economic and regulatory power to promote stability, democracy and fairness. To this end we fully support your moves to propose majority voting for issues of human rights, sanctions and the launch and management of civilian security and defence missions. However, such moves must be accompanied by strong parliamentary control, especially over EU missions and operations and the EU external action budget. Furthermore, we insist on faster and more efficient mobility for humanitarian missions and natural disaster response and on improved intelligence sharing in the fight against terrorism.

Our Group places particular emphasis on prioritising cooperation with the countries of the Southern Mediterranean and the Middle East, to support stability and consolidation of democracy in these societies. Nevertheless, it must be clear that security cooperation with third countries must be financed through dedicated funds and not by diminishing resources earmarked for aid and development.

Globalisation must be governed so as to ensure trade is for the many not the few. Europe must regain its authority and strength and act to foster its values and rewrite global rules while engaging in fair trade agreements with our countries.

We applaud your intention to align EU trade policy with the Sustainable Development Goals and the Paris Agreement and look forward to these fine words being translated into robust actions. We will work for all EU trade agreements to contain binding and enforceable sustainable development chapters, including sanctions, in order to contribute to reinforcing international commitments, especially the ILO core labour standards and the COP 21 agreement and we hope you will join us in fighting to include quantified climate requirements and verifiable targets for the reduction of greenhouse gas emissions in trade agreements.

We also need to strive towards binding measures on minimum corporate tax rates and compulsory provisions to fight tax evasion and avoidance.

Please be in no doubt that we will oppose all trade policy instruments which impinge on our capacity to regulate in the interest of our citizens or put at risk the integrity of the precautionary principle.

We strongly defend the multilateral system and support comprehensive reform of the negotiating and monitoring functions of the WTO to ensure it is fit to meet the challenges of the global economy.

Europe and Africa are special neighbours and we welcome the emphasis on a new alliance. We call for priority work to establish a fair and equal ***Africa-EU partnership based on trust***, mutual respect and implementation of the UN Sustainable Development Goals, which should not be undermined by over-zealous investment protection clauses and insufficient investor responsibility. Post-2020 work should concentrate on a binding instrument based on three pillars of cooperation: Governance, Democracy and Trade. Our Group will strongly oppose any attempts to make development funds conditional on cooperation in migration. Similarly, we will not permit the EU

external action budget to become narrowly focussed on border management and controls. Our policy towards Africa must prioritise education, support for young people and women and eradication of child poverty, with a particular focus on the least developed countries and fragile States.

Last but not least, it is essential that the means match the ambition. It is of utmost importance that we harness Union finances for a better, fairer and cleaner future for our children. ***The next Multiannual Financial Framework, as the main tool at the service of a just transition***, must be nothing less than transformative, and prioritise investment supporting more inclusive and equal societies. It must include a viable system of own resources which can ensure proper financing for our key priorities which must include earmarking at least 30% for climate action, the establishment of a well-resourced just transition fund to support communities and workers in carbon-intensive regions, and significantly increased budgets for the Life+ programme, the Horizon Europe R&D programme, Erasmus+ and the Youth Employment Initiative.

We welcome proposals to include first elements of a Eurozone fiscal capacity in the next MFF to protect investments and respond to high unemployment rates but insist that their scope and volume must be increased substantially in order to be meaningful.

Also, a renewed and strengthened commitment to social, economic and territorial cohesion will be key for the future of Europe, keeping in mind the vital importance of taking into particular consideration the needs of those territories facing de-industrialization or natural, demographic and geographic disadvantages.

While we appreciate your arguments in favour of moving quickly to reach agreement, please be in no doubt that our Group is not willing to sacrifice our principles for the sake of a rushed deal which would not help find the right solutions to our common challenges and thus not be in the interest those we represent.

Mr President, we trust that in the last few months of your presidency, you will help us implement these vital reforms, both through the upcoming proposals as part of the 2019 Commission Work Programme, and as part of your Commission's ongoing actions and support for proposals already in the legislative pipeline.

Yours faithfully,



Udo Bullmann
S&D Group President



Maria João Rodrigues
S&D Group Vice-President