

## NEXT GENERATION EU: WHAT POTENTIAL FOR INTER-GENERATIONAL SOLIDARITY?

Sergei Stanishev, President of the Party of European Socialists, S&D MEP

From the outset, the European Union's recovery package was billed as an instrument meant to "build a better future for the next generation", and the socialist and democratic political family worked hard to deliver it and to strengthen its social dimension. As member states put the finishing touches on their recovery plans, I call on them to use this opportunity to push for a social recovery that supports all generations of Europeans.

Investment in the green and digital transitions does not only benefit the next generation, but also current workers and pensioners: by working to make climate neutrality a reality, it will keep the planet liveable for all generations yet to come; by supporting demand and creating quality jobs now and in the years to come, Next Generation EU will help to ensure the long-term sustainability of our social security and pension systems.

Our pensions models rely on an active workforce, and those that are at or near retirement age should be concerned by the prospect of another "lost generation" of younger workers. Everyone deserves to live in dignity, and we cannot accept pensioners finding themselves at the risk of poverty. The scarring effect of youth unemployment is <u>well-documented</u>: struggles early on have lasting consequences in terms of career outcomes and wellbeing. The working poor of today will be the poor pensioners of tomorrow, and the gender pay gap of today is the <u>pension gap</u> of tomorrow.

The virus itself has been especially dangerous for the elderly, and Europeans of all ages have lost loved ones and had their lives profoundly disrupted. Yet of all the generations it is the young who have suffered the most from the pandemic. Many have had their education interrupted, and those that have left school and university find themselves in an even more precarious position.

Put simply, young workers do not enjoy the same level of job security as their parents: in 2019, <u>a third</u> <u>of workers under 29</u> were in temporary employment, often in the retail, catering, hospitality and tourism industries. Though governments acted quickly to activate or introduce temporary unemployment schemes, which were supported at the EU level by the <u>SURE instrument</u>, these were often targeted at preserving already stable jobs.

Meanwhile, the lockdowns and decline in economic activity cost many young workers their employment. As we enter the second year of the pandemic, opportunities are reduced for an additional cohort of school leavers and graduates. Youth unemployment has increased a full 2.2

## percentage points since January 2020, without counting the many students who previously relied on part-time work.

In order to access the Recovery and Resilience Facility, governments are encouraged to put forward "policies for the next generation, children and youth, including education and skills". The finalised 2021-2027 Multiannual Financial Framework (MFF) also includes top-ups and reallocations that leave us in a better position than previous proposals. Socialists and Democrats in the European Parliament fought hard to reinforce social objectives in the new MFF, including the ringfencing for youth unemployment and child poverty in the European Social Fund Plus and the new EU4Health programme, which will deliver on <u>our demands</u> for a European Health Union. The flexibility offered by the RRF and the REACT-EU programme gives member states the chance to tap into further EU funds to increase the opportunities for social investment.

To begin with, the RRF should serve to implement <u>EASE</u>, which enables job creation, hiring incentives, training schemes and youth employment support to be funded via EU programmes. As I and several comrades <u>argued back in January</u>, member states should also use the EU budget to fully implement the European Youth Guarantee for under-29s.

Governments could also start working towards the objectives of the proposed <u>European Child</u> <u>Guarantee</u>, namely providing free education and childcare and free school meals to all vulnerable children. The Spanish government led by PSOE is due to <u>dedicate 18%</u> of its RRF allocation to education, which will include the creation of 65,000 new pre-school places.

The Child Guarantee also commits member states to addressing children living in poor housing conditions, but of course the housing crisis. Evidence from Eurofound suggests that there are two particularly vulnerable age groups: young people who cannot afford to leave their parents' home, and elderly people in Eastern Europe who, while they own their homes, cannot afford to make essential repairs. Investing in quality social and affordable homes that improve energy-efficiency is exactly the kind of project that Next Generation EU exists to facilitate.

Our progressive family in Brussels and in Europe's member states will continue to push for the funds to be put towards social initiatives that will have immediate benefits for those that have suffered the most from the pandemic. Young people are in urgent need of solidarity, but this investment will benefit us all. We have all made exceptional sacrifices this past year, and **it is our collective responsibility as Europeans to make sure that no generation is once again left behind.** 

I like to think that alongside climate action and digital transformation, **the implicit third pillar of Next** Generation EU is social policy. It is up to progressives to seize the potential of Europe's "Hamiltonian moment" to lead a social recovery built on intergenerational solidarity.