



Resolution 2384 (2021)¹

Overcoming the socio-economic crisis sparked by the Covid-19 pandemic

Parliamentary Assembly

1. The Covid-19 pandemic hit an unprepared world. Flawed macroeconomic policy choices in the past – such as austerity measures taken by many countries to handle the previous financial and economic crisis of 2008-2010, or imposed on certain countries by external “rescuers” – weakened the resilience of our societies and States, including in the health sector and social protection systems. As a result, socio-economic inequalities continued to widen. The pandemic laid bare the extent to which previous policies had adversely affected the most deprived and vulnerable groups of the population.
2. Facing the imperative to save lives and avoid the collapse of national healthcare systems, most States temporarily resorted to stringent public health measures such as lockdowns and shutdowns, involving restrictions on the movement of people and goods, thus effectively slowing down the pandemic, but also economic life. The resulting recession caused deep shortfalls in resources for businesses, workers and States, as well as in global investment flows, disproportionately affecting vulnerable parts of the population and regions across Europe, in health, social and economic terms. All Council of Europe member States have rolled out emergency support programmes for companies and vulnerable persons to stabilise the socio-economic situation. Against the background of the looming climate crisis, they must now ensure a just, efficient and transparent medium- and long-term use of these funds in order to pursue a strategic vision of development that is healthier, more inclusive and more sustainable, which is at the heart of public interest.
3. The Parliamentary Assembly emphasises member States’ commitment to upholding the fundamental social rights enshrined in the European Social Charter (the Charter, ETS No. 35 and (revised) ETS No. 163) and refers to the statement of the European Committee of Social Rights (ECSR) on Covid-19 and social rights, adopted on 24 March 2021. The Assembly is deeply concerned about the situation of vulnerable people who have been harshly affected by the socio-economic crisis sparked by the pandemic. It fully supports the ECSR proposals to improve their situation.
4. The Assembly deplores that during the successive lockdowns and shutdowns, many women, especially mothers, had to carry the double burden of extra (unpaid) care work and home-schooling, while also being over-represented in low-paid jobs and exposed to greater income insecurity, greater risk of unemployment and an increase in domestic violence. Moreover, single parents suffered disproportionately from the closing of schools and day-care facilities for children, putting them at an increased risk of poverty.
5. In this context, the Assembly wishes to highlight a legal void in the European Social Charter: working migrants originating from countries that are not bound by this treaty are excluded from the application of certain provisions of the Charter. This loophole, one of many, highlights the need for the Charter to be modernised with new rights being recognised to meet the manifold challenges that were made more visible by the pandemic.

1. *Assembly debate* on 22 June 2021 (18th sitting) (see [Doc. 15310](#) and [addendum](#), report of the Committee on Social Affairs, Health and Sustainable Development, rapporteur: Mr Andrej Hunko; and [Doc. 15322](#), opinion of the Committee on Equality and Non-Discrimination, rapporteur: Ms Elvira Kovács). *Text adopted by the Assembly* on 22 June 2021 (18th sitting).

See also [Recommendation 2205 \(2021\)](#).



6. The Assembly believes that European States stand at a crossroads and have a historic opportunity to rebalance their economic development with social and environmental needs in pursuing the United Nations Sustainable Development Agenda 2030, as well as to address socio-economic inequalities caused by a flawed growth model. Alternative growth strategies with the objective of avoiding the depletion of exhaustible resources and reducing greenhouse gas emissions need to be developed and implemented urgently. The Assembly recalls its [Resolution 2329 \(2020\)](#) “Lessons for the future from an effective and rights-based response to the Covid-19 pandemic”, which recommended that member States ensure that their economic recovery plans avert a “degradation of ecosystems likely to generate other epidemics of a zoonotic nature, and thus condition the aid put in place on the fulfilment of ambitious environmental and social criteria in line with the United Nations Sustainable Development Goals”. The Assembly therefore urges States to send clear signals to non-state actors about the direction of their long-term macroeconomic policy orientations so as to better protect human well-being and dignity, as well as the enjoyment of fundamental socio-economic rights.

7. The implementation of ambitious economic recovery measures requires the expansion of sovereign budgetary capacity in order to mobilise new or additional resources domestically or externally. Moreover, as sovereign budgetary capacity varies widely across States in Europe, greater co-ordination and pooling of fiscal and financial resources to overcome the socio-economic crisis are necessary, in particular at regional and cross-border levels.

8. The continuing global public health emergency calls for greater international solidarity between the wealthiest and the poorest countries in order to share the existing anti-Covid-19 vaccine stocks by targeting the most vulnerable populations and healthcare workers. In this context, the Assembly believes that European countries should lead by example and donate part of their vaccine stocks to the neediest countries in a co-ordinated manner. They should support the worldwide expansion of production capacity for Covid-19 vaccines by endorsing the modalities for a temporary waiver on patents for those vaccines under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement of the World Trade Organization (WTO) and foster compulsory licensing arrangements to enable the transfer of know-how and technology for life-saving vaccines and essential medicines or treatments.

9. In light of the above considerations, and in order to achieve dignity for all, political, economic and social measures must protect the rights of everyone. In order to put their socio-economic recovery on solid tracks and guarantee adequate social protection to all, the Assembly recommends that Council of Europe member States:

- 9.1. set conditions for businesses to receive public financial support in order to guarantee the social rights of workers (such as preservation of employment), prohibit the distribution of dividends, strengthen the sustainability of the use of resources and adopt road maps for reducing the environmental footprint of their activities;
- 9.2. mainstream equality into all measures taken to respond to the socio-economic crisis, and to this end:
 - 9.2.1. incorporate equality-impact assessments as an integral element of ongoing public health, economic and social policy responses to the crisis, aimed at identifying and eliminating the actual or potential discriminatory effects of these responses;
 - 9.2.2. ensure equal opportunities by eliminating discriminatory laws, policies and practices as part of the Sustainable Development Goals and the pledge to leave no one behind;
- 9.3. expand public investment programmes aiming to:
 - 9.3.1. improve quality, affordability and accessibility of public services and infrastructures and promote equal access to these services and infrastructures;
 - 9.3.2. stimulate high-quality employment and job creation, based on local economic needs and pursuing the goal of decent work for all;
 - 9.3.3. enhance educational and professional opportunities for young people in order to actively promote their access to the labour market;
 - 9.3.4. expand lifelong learning and training schemes to accompany the adaptation of human competences and skills in building a more sustainable and more digitalised economy;
 - 9.3.5. guarantee adequate minimum income and social protection, in particular for more vulnerable population groups, including young people in transition towards autonomous living and single-parent families;

- 9.3.6. ensure adequate housing and decent living conditions for all;
- 9.3.7. reclaim economic sectors that are strategically important for future prosperity, well-being and social equality, notably as regards sustainable energy, telecommunication networks, mobility, housing, healthcare, water and food supply, as well as scientific research and development capacity;
- 9.3.8. strengthen the foundations of the digital economy and its governance through the resource-saving organisation of human work, as well as ensuring equal access to digital tools;
- 9.3.9. urgently expand production capacity for Covid-19 vaccines and medicines worldwide through know-how and technology transfers via compulsory licensing arrangements, as well as a temporary waiver under the WTO's TRIPS agreement, as appropriate, and donate part of the existing vaccine stock to the countries that are most in need;
- 9.3.10. combat all forms of gender-based violence and domestic violence;
- 9.4. consolidate public finances by:
 - 9.4.1. creating mechanisms to allow public finances to be decoupled from the volatility of financial markets and developing a framework to collectively deal with the debt accumulated due to the pandemic (this framework could also be used for other debt);
 - 9.4.2. increasing the share of domestic fund-raising from private sources, especially through progressive taxation that protects lower-income groups;
 - 9.4.3. raising new resources through the introduction of a tax on financial transactions, in particular with regard to high-frequency trading;
 - 9.4.4. considering forms of property taxation and/or levies for the wealthiest members of society in order to shift the burden of the crisis from the shoulders of the less fortunate to those of the most affluent;
 - 9.4.5. enhancing interstate co-operation in tax matters through the Inclusive Framework proposed by the Organisation for Economic Co-operation and Development (OECD) along the lines of Assembly [Resolution 2370 \(2021\)](#) "Fighting fiscal injustice: the work of the OECD on taxation of the digital economy" in order to ensure a more adequate taxation of the digital economy and establish a new common corporate tax base;
 - 9.4.6. in the case of member States of the European Union, revisiting the fiscal requirements of the EU Stability and Growth Pact in line with the need to maintain spending at least during the recovery period;
- 9.5. ensure efficient and transparent allocation of support funds to the private sector, based on long-term development priorities linked with the UN Sustainable Development Goals, the Green Agenda and other country-specific social goals, involving parliamentary scrutiny of investment proposals and their implementation;
- 9.6. adopt positive measures to eliminate the gender pay gap and gender pension gap and all types of discrimination in employment;
- 9.7. ensure that crisis-response bodies and those working on recovery measures are gender balanced, diverse and inclusive; their work must also be evidence based (notably through the use of data disaggregated by gender and other discrimination grounds) and gender sensitive, ensuring that equality is mainstreamed;
- 9.8. implement [Resolution 2361 \(2021\)](#) "Covid-19 vaccines: ethical, legal and practical considerations" in order to help make Covid-19 vaccines a "global public good", accessible to all, everywhere and to "overcome the barriers and restrictions arising from patents and intellectual property rights in order to ensure the widespread production and distribution of vaccines in all countries and to all citizens".