



Resolution 2393 (2021)¹

Socio-economic inequalities in Europe: time to restore social trust by strengthening social rights

Parliamentary Assembly

1. Europe's prosperity has been seemingly growing for decades but disparities in income, wealth, educational achievement, health, nutrition, living conditions, occupations, social identity and participation in society have continued to widen among and within countries. These inequalities not only negatively affect individuals and communities, but also restrain overall economic development, undermine social justice and hurt the functioning of our society. Entrenched structural inequalities were magnified during the global financial crisis of 2008-2009 and the Covid-19 pandemic, leading to deeper poverty, the erosion of social rights, reduced social mobility and greater social polarisation in society. Across Europe, widening inequalities made economies less robust and less resilient to external shocks, while social resentment increased the risk of social unrest and political instability.

2. The Parliamentary Assembly notes that the prevailing economic development models will always entail a certain degree of socio-economic inequality, which calls for a review of the structural root causes of inequalities. However, this is no reason for States to shirk their responsibilities to guarantee socio-economic rights for all by using tools from a wide set of economic policies and redistribution mechanisms to reduce inequalities and, above all, to better protect the most disadvantaged and the most vulnerable. As pointed out in [Resolution 2384 \(2021\)](#) "Overcoming the socioeconomic crisis sparked by the Covid19 pandemic", the budgetary austerity measures of the last decade have only weakened social systems, thus amplifying inequalities, with dramatic effects on the neediest. Instead, a major shift in policy making is needed to pursue genuinely inclusive and sustainable growth: States must invest in rebuilding the economy while strengthening their social systems. The crises of the past decades have shown that equality and sustainable growth are two sides of the same coin.

3. Reducing inequality within and among countries is one of the UN Sustainable Development Goals (SDGs). Despite some positive developments in a few countries before the Covid-19 pandemic, inequalities have worsened again, unleashing a human development crisis as a result of global investment levels and overseas development aid flows shrinking dramatically in 2020. The Assembly underlines the need for and importance of collective action in favour of the poorest countries and the most vulnerable population groups (including older persons, children, persons with disabilities, women, migrants and refugees, and workers in precarious employment situations).

4. Rising inequalities hit vulnerable and marginalised groups especially hard, with the biggest difficulties being faced by older people and persons with disabilities. Moreover, inequalities and poverty drive child labour and child marriage, a persistent problem worldwide, although one that occurs to a differing degree across countries. European States have a moral duty to address these scourges more effectively both nationally and by assisting other countries concerned in eliminating child labour, child exploitation and child marriage, with an additional sense of urgency due to the Covid-19 crisis.

1. *Assembly debate* on 28 September 2021 (25th and 26th sittings) (see [Doc. 15365](#), report of the Committee on Social Affairs, Health and Sustainable Development, rapporteur: Ms Selin Sayek Böke). *Text adopted by the Assembly* on 28 September 2021 (25th and 26th sittings).

See also [Recommendation 2210 \(2021\)](#).



5. The Assembly is particularly concerned about the slowdown in social mobility and extensive intergenerational transmission of inequalities which hamper children's well-being and development prospects and threaten their rights. Socio-economic circumstances in early stages of life play a critical role in determining the socio-economic status and the health of individuals later in life, with parents' education and wealth having a significant impact. The Assembly highlights the need for more progress in ensuring universal access to State support based on guaranteed basic financial resources but most importantly with a focus on educational equality and better access to health and social protection services, as well as adequate housing in order to give children from less-privileged backgrounds the same opportunities in life as those from wealthier families. It welcomes the European Child Guarantee initiative under the European Pillar of Social Rights of the European Union and considers that this initiative should be promoted across the whole of Europe.

6. The Assembly deplores the significant impact of socio-economic inequalities on the health of individuals, which is starting to create a health divide in society. The growing prevalence of chronic and long-term diseases in Europe, most notably and fastest among socio-economically deprived populations, especially women, has clear links to inequalities in educational status. In addition to the physical health impacts, there are also significant mental health issues related to inequality and employment status. This combination of physical and mental health impacts takes a deadly toll on European society by reducing the average life expectancy, in particular as regards healthy life expectancy.

7. The Assembly concurs with the Council of Europe Development Bank's view that housing inequalities are both a symptom and a cause of existing income inequalities. Given that poor households often live in sub-standard homes and in deprived neighbourhoods, they face greater difficulties in accessing certain public services such as basic healthcare and quality education, as well as better remunerated jobs. National housing policies should be rethought to provide more equitable options for enjoying one's right to housing of an adequate quality at an affordable price, as provided for by the European Social Charter (ETS Nos. 35 and 163).

8. During the Covid-19 pandemic, social inequalities have persisted across age groups, gender, geographical areas and income clusters, with single-parent families (mostly headed by women) being at the highest risk ever of poverty and social exclusion. Low-income households and ethnic minorities are also more likely to experience inadequate living conditions with repercussions for their health, life expectancy and socio-economic status. The Assembly notes the expert opinion which concludes that a high level of social capital in the neighbourhood and social networks within communities provide essential mutual support to disadvantaged households and should be encouraged by local authorities.

9. Against the background of the persisting gender pay and pension gap across Europe, the Assembly reiterates the right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex, as proclaimed by the European Social Charter. It points to the conclusions of the European Committee of Social Rights on States parties' implementation of the right to equal pay and to equal opportunities in the workplace, which show a massive violation of this right and urge that additional legislative steps are taken to better protect this right and prevent discriminatory practices in the labour market. The Assembly welcomes the adoption on 17 March 2021 by the Committee of Ministers of the Council of Europe of the Declaration on equal pay and opportunities for women and men in employment, aimed at tackling existing inequalities in employment.

10. Recalling the member States' duties to adequately protect the socio-economic rights set out in the European Social Charter and with a view to tackling structural socio-economic inequalities more effectively, the Assembly urges member States to:

10.1. compile comprehensive data sets using information from national accounts, surveys and the tax administration in order to allow for effective analysis and stock-taking of the extent of socio-economic inequalities;

10.2. carry out an in-depth assessment of macroeconomic factors, technological and regulatory changes, domestic labour laws and macroeconomic financing requirements and choices that may have contributed to worsening socio-economic inequalities and damaged the effective implementation of social rights at the national level;

10.3. seek legislative and regulatory changes aimed at facilitating their population's access to quality public services, adequate housing and stable employment;

- 10.4. mainstream social objectives in their policy making by systematically screening policy changes for their impact on social cohesion and carrying out comprehensive human rights impact assessments of economic policies, in line with the UN Guiding Principles on Human Rights Impact Assessments of Economic Reforms;
- 10.5. rethink their budgetary policies to take a more socially egalitarian direction, so that basic needs are universally covered and equal opportunities are spread fairly across society by:
 - 10.5.1. guaranteeing universal, free and equal public provision of basic education, health and social protection services;
 - 10.5.2. increasing the share of public spending on vocational training, higher education and lifelong education programmes;
 - 10.5.3. evaluating alternative policies for basic income or basic wealth provision programmes (including options for accessing adequate housing) that would help ensure minimal financial resources for decent living;
 - 10.5.4. considering regulatory caps on pricing for the use of privatised basic infrastructure and services to remedy immediate hardships, while also reconsidering the role of public ownership in the provision of basic services;
- 10.6. review their fiscal policies so as to ensure fair and equal distribution of economic and social opportunities through redistribution channels, notably by:
 - 10.6.1. closing loopholes in current tax codes, improving tax compliance and reducing tax avoidance both nationally and through tax havens;
 - 10.6.2. eliminating or limiting tax deductions or tax benefit schemes that tend to disproportionately benefit high earners;
 - 10.6.3. reassessing the possible role of taxes on all forms of property and wealth with a view to consolidating households' and children's material well-being;
 - 10.6.4. guaranteeing that the proportion of direct and indirect taxation in total revenues is optimised to eliminate socio-economic inequalities;
- 10.7. consider systemic changes to labour market policies, notably by:
 - 10.7.1. strengthening the bargaining power of workers through trade unions and enhancing communication between social partners;
 - 10.7.2. revising minimum wage policies and collective bargaining frameworks that will guarantee a decent living wage and social protection as well as stable and quality jobs for all;
- 10.8. take stronger legislative action to eliminate the gender pay and pension gap as well as discriminatory practices in the labour market by:
 - 10.8.1. ensuring access to effective remedies for victims of wage discrimination or of discrimination on any other grounds;
 - 10.8.2. guaranteeing wage transparency and enabling wage comparisons;
 - 10.8.3. maintaining effective equality bodies and related institutions with enhanced control functions in order to ensure equal pay in practice;
 - 10.8.4. ensuring more flexible quality employment opportunities with decent pay and training perspectives for vulnerable population groups;
 - 10.8.5. guaranteeing effective access to affordable and quality childcare services for working parents;
 - 10.8.6. enhancing the protection of workers with long-term and chronic illness and/or disabilities in line with the Assembly's [Resolution 2373 \(2021\)](#) "Discrimination against persons dealing with chronic and long-term illnesses";
- 10.9. provide for the setting up of personal training accounts and lifelong learning opportunities to enable continuous upgrading of professional competences, acquisition of new skills and requalification or transition to different types of jobs due to the use of artificial intelligence, digital/platform economy needs and other technological developments;

- 10.10. adapt and strengthen social protection coverage for non-standard and new forms of employment;
- 10.11. improve incentive structures through competition policies, public procurement rules and regulations with the goal of reducing rewards for non-productive and rent-seeking activities;
- 10.12. strengthen regulatory policy frameworks on corporate social responsibility so that businesses and financial markets align more closely with the SDGs and human rights as highlighted in the Assembly's [Resolution 2311 \(2019\)](#) "Human rights and business – what follow-up to Committee of Ministers Recommendation CM/Rec(2016)3?";
- 10.13. use the Council of Europe Development Bank to co-finance priority social projects, in particular with regard to improving the provision of health services more equitably throughout a national territory and reducing the rural versus urban divide;
- 10.14. give local public authorities enhanced financial means to support the development of social capital, solidarity schemes and networking, in particular in more disadvantaged and rural areas;
- 10.15. enhance collective solidarity mechanisms, co-ordination of public investment and aid flows targeted at the implementation of the SDGs, both at national and international level;
- 10.16. initiate international co-ordination to agree on:
 - 10.16.1. a binding set of minimum international labour rights to be enshrined in global trade and investment rules;
 - 10.16.2. transparency rules and public scrutiny of public interest for internationally financed public projects, including through private-public partnerships;
- 10.17. enhance international efforts to restructure the global governance framework with the aim of overcoming the fragmented landscape of international law that drives a wedge between economic policies and human rights, and to increase international co-ordination/co-operation between human rights agencies and economic policy institutions;
- 10.18. increase the financial resources available for protecting the public interest by ensuring full co-operation with the Group of States against Corruption (GRECO) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), aimed at ending corruption;
- 10.19. guarantee sufficient allocation of economic and financial resources to ensure proper social protection and sufficient provision of public services, and protection of the economic and social rights enshrined in national and international legal documents.