> **Background of the conference *No region left behind – Challenges for Europe's regions in transition* on the 18th of March at the European Parliament**

"Our goal has always been to ensure that one day Europe becomes a large, common house for all Europeans, a house of freedom."
Konrad Adenauer, 1876 - 1967

We are running out of time. The European Union is facing challenges that are new and unknown. We need to think about what Europe is, what it stands for and what we want it to be. Giving the EU purpose and harnessing the power of the community towards common goals is an ongoing project, subject to constant renewal. Starting out as an economic Union, the EU that we live in today needs to be much more than that. Despite ongoing populism, Brexit and the financial crisis, we are ambitious to become the best possible Europe for our people.

The EU27 stands as close as it ever has, bringing peace and prosperity to the people, creating equal opportunities for everyone and making sure that we stand together in a rapidly changing world. Under the new Commission we are committed to the lofty goals of an *Economy that Works for the People* and to *Promoting the European Way of Life*. To get there, however, we need to be aware of the failings that often present themselves right on our doorstep. Time has come to take a closer look at today's changing circumstances and what they mean for us as a social society.

Despite best efforts, social cohesion in the EU is not yet reality. Differences in income, education and opportunities are real. Poverty is a real threat - ever more people can be found in unsupportable living conditions, often children. The gap between rich and poor constantly widens. According to Eurostat, our wealthiest 20% have a disposable income more than 5

times as great as our poorest 20%.[1] Europe is leaving more and more people behind and we need to put that to a stop.

The reasons are manifold. Social matters are not one-dimensional, which makes for a complex weave of challenges and interrelated policy responses as we seek to address them.

On the social side, changing work conditions, digitisation, new skillsets and an ageing society change the structure of our society. New long-term approaches to target social inequalities are required in education and training, work conditions and pension schemes. We need to boost investment and jobs based on a sustainable use of resources, while pursuing a fairer and deeper internal market. We need to create an environment where digital networks and services can flourish while making sure citizens and businesses can take advantage of the opportunities digitisation can offer. We need to protect our democracy from the threats that may emerge in a time of social upheaval.

The threat of climate change puts pressure on our living conditions in a completely different way, which we have yet to fully understand. As we strive to become the first carbon-neutral continent, we need to transition to new energy sources, technologies and patterns of behaviour while maintaining our living standards across all parts of society. We need to strengthen our brand of responsible global leadership. We need to be aware of the societal consequences in addressing climate change when intervening in order to not increase existing inequalities. This is especially important when looking at regions that need to undergo structural changes.

Big challenges need big solutions but that is easier said than done. The EU's regional variety makes a 'one size fits all' approach difficult and different regions face different challenges and need different support. There are regions that have to undergo a rapid and rather drastic structural change to catch up with today's requirements, while others are less affected. However, since Europe is made up of its regions, we need to make sure that we support those that face the biggest changes.

In 2017, the European Commission came out with a proposal, the European Pillar on Social Rights, a set of principles that will deliver more equal opportunities and rights for all citizens in the EU. Equal opportunities and access to the labour market, fair working conditions and social protection and inclusion are at its core.

It was a significant step to make the EU not only a political and economic Union, but also a social one. The January 2020 Communication "A strong social Europe for just transitions" set out the Commission's roadmap to implement all aspects of the Social Pillar in the near future, targeting social injustice in the EU. At the same time, the Just Transition Mechanism was

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[1] Eurostat (2017)

introduced, aiming to mobilise at least €100 billion to address social and economic effects of the transition to a green economy via a €7.5 billion Just Transition Fund, an InvestEU scheme and public sector loan facility with the European Investment Bank (EIB). It will run alongside the European Regional Development Fund ('ERDF') and the European Social Fund Plus ('ESF+') and the Cohesion Fund, while some of the projects might be connected.

Policy and financial support provide the opportunity for European's regions to target inequalities at their root causes. Nevertheless, there are still questions we need to answer. This conference will shine a spotlight on the different dimensions of structural change. What needs to be done and what are the best practises? How do we spread awareness and enable them to scale? How do we use the mechanisms provided by the EU efficiently, are they sufficient and are they targeting the right things? How can we ensure that they reach those regions and people that most in need? And how can we make the green transition socially acceptable?