

Statement on the COVID-19 response, 27 March 2020

## **Covid-19 as an opportunity to improve our welfare systems**

**Yesterday the European Parliament adopted the Coronavirus Response Investment Initiative, which will provide €37 billion of investment under cohesion policy to address the consequences of the Covid-19 crisis. This initiative should mobilise investments in the Member States' health care systems and other sectors of their economies and provide needed financial assistance to Member States and countries negotiating their accession to the Union that are seriously affected by the public health emergency.**

Caritas Europa is pleased to see the speed at which the European Union mobilises funding in support of both direct public health and indirect immediate humanitarian consequences of the pandemic. Faithful to our mission to serve and protect the most vulnerable, Caritas Europa is currently pursuing a two-pronged approach: on the one hand, we are responding to the immediate global health crisis. Our members are working on the front line, providing emergency support globally, helping to set up preventative measures in countries the virus has only started to hit, and continuing to respond to the pressing needs of those in the most precarious situations, such as the elderly, disabled, health impaired, homeless, unemployed, and those depending on service provision (access to water, food, showers, toilets, accommodation, home care, etc.).

*'Europe is facing a global challenge that no Member State can address on its own. The EU has an opportunity to show precisely what this union can bring to all its residents, including the most deprived. Now is the time for Europe-wide solidarity. I urge Member States to give priority to those hit hardest by the pandemic and its consequences when deciding how to spend the EU financial support.'*

**Natalia Peiro**, Caritas Spain Secretary General and Caritas Europa Executive Board Vice-President.

The unprecedented situation in which we are living as a result of COVID-19, in constant evolution, requires a strong coordination of all actors to guarantee unconditional access to essential services for all, but also immediate investments. Caritas Europa is convinced that the solidarity fund and Coronavirus Investment Initiative are essential not only for maintaining existing social structures but also for supporting in part Europe's social and health care systems. At this stage, however, we impress upon the need to provide additional funding support to social economy initiatives and to realise that innovative finance and social enterprises will be important in the longer run to help the economy recover.

The second pronged approach of Caritas Europa is to monitor and analyse the inequalities that are further exacerbated as a result of the global pandemic. We observe firsthand the consequences of entire economic sectors grinding to a halt; the direct impact on health care workers and researchers working endlessly to fight the virus; the immediate precariousness among self-employed, unemployed, and children living in poverty; people facing difficulties paying their mortgages, utility bills and debts; the precarious situations of those working in the informal economy; increased vulnerabilities due to exploitative conditions or domestic abuse; the dire situations for homeless people and overpopulated refugee camps, lacking clean water, secure sleeping quarters, access to health care, and opportunities for social distancing; also whole countries lacking sufficient health care and welfare systems, making it impossible to respond. There is no doubt, people and our world's systems and economy are already being severely impacted by this crisis.

Caritas Europa sees the current situation as an opportunity for the EU and its Member States to begin devising a sustainable and adequate welfare system that puts people first, moving toward upward convergence. In response to the 2008 financial crisis, Caritas Europa already stressed the importance of the welfare state as the most critical issue to be faced by the EU and its Member States, urging for a transformation of the welfare state of the 19th and 20th centuries in order to adequately address the 21<sup>st</sup> century challenges of full employment, inclusive growth, investments in families and young people, strong social protection, decent retirement conditions, and an active health policy.

We insist on raising awareness of the inequalities that exist and urge policy makers to be mindful of this in ongoing budget proposals. We must ensure that universal health care, universal child care, paid sick leave, minimum income, support and services for asylum seekers, homeless people, and others less fortunate remain high on the political agenda. We need to collaborate now with innovative solutions to ensure that governments maintain strong, universal public health care systems and strong social protection systems (including minimum income schemes) to be able to deal with this health and economic crisis. Towards this end, we remind of the necessity of including the following three pillars to Europe's forthcoming social model:

### **1. Family protection**

Family is the vital cell of society, today with the COVID-19 confinement measures more than ever. Socio-economic measures should safeguard family income and living conditions, supporting the resilience of families.

### **2. Employment**

Workers affected by the forced shut down of economic sectors should be entitled to a replacement income covering at least 70% of their regular wage.

### **3. Housing and health care**

Public authorities shall avoid any situation that puts at risk individuals and families during the lockdown. Therefore, it is important to enforce a temporary moratorium for rent or mortgage payments in all the cases when the person or family is temporarily unable to pay. Banks have to take their responsibility in this.

The enforcement of the confinement measures should bear in mind the special situation of groups and individuals in situations of severe social exclusion, such as homeless people or migrants in an irregular administrative situation, living in informal settlements.

All people residing in the country, possibly affected by the COVID-19 virus, should have equal and unconditional access to adequate health care.

#### **For more information, please contact:**

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