



Re-Thinking

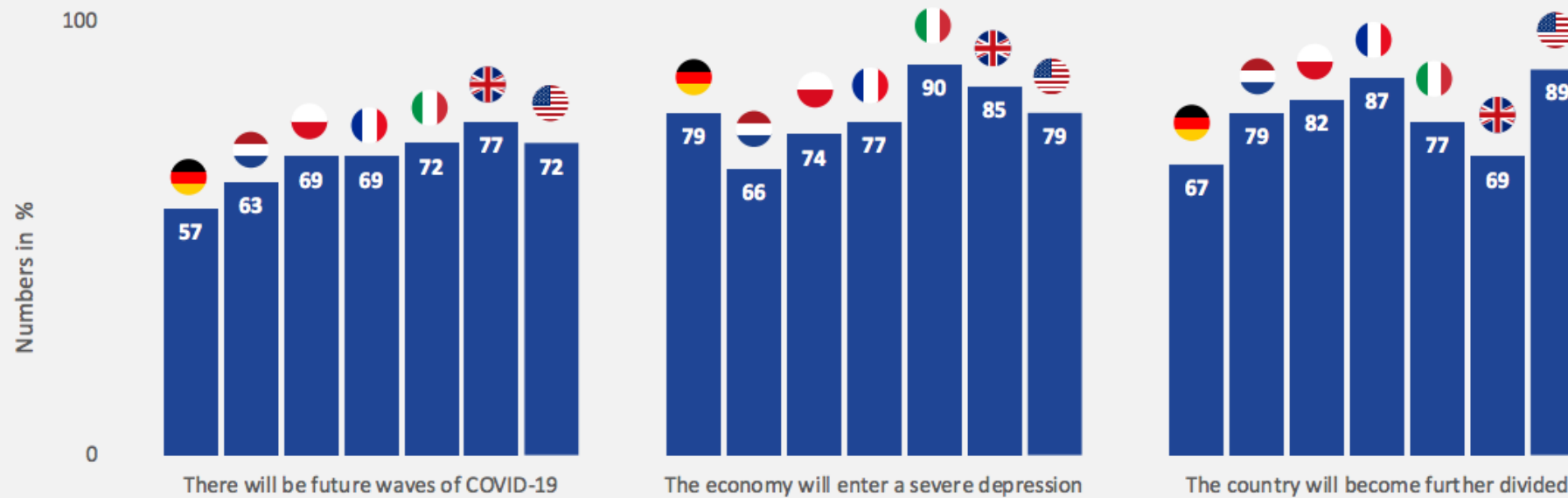
ETUC AUTUMN SCHOOL
13 NOVEMBER 2020



CHALLENGES

WHAT PEOPLE THINK

COVID-19 has left people anxious about a lot – health, economy and division

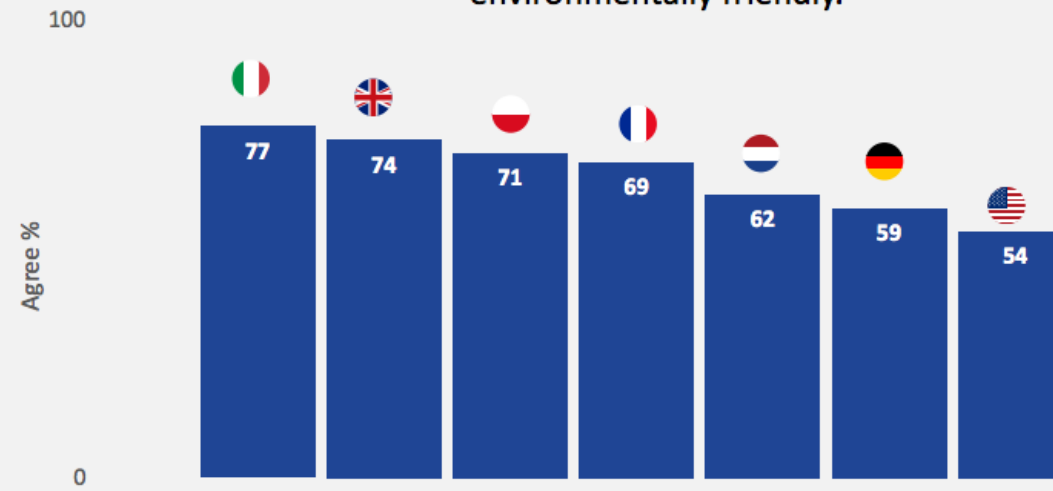


WHAT PEOPLE THINK

Strong support for the Green New Deal, and even a majority in the US



Developing a “Green New Deal” that makes large-scale government investments to make our economy more environmentally friendly.

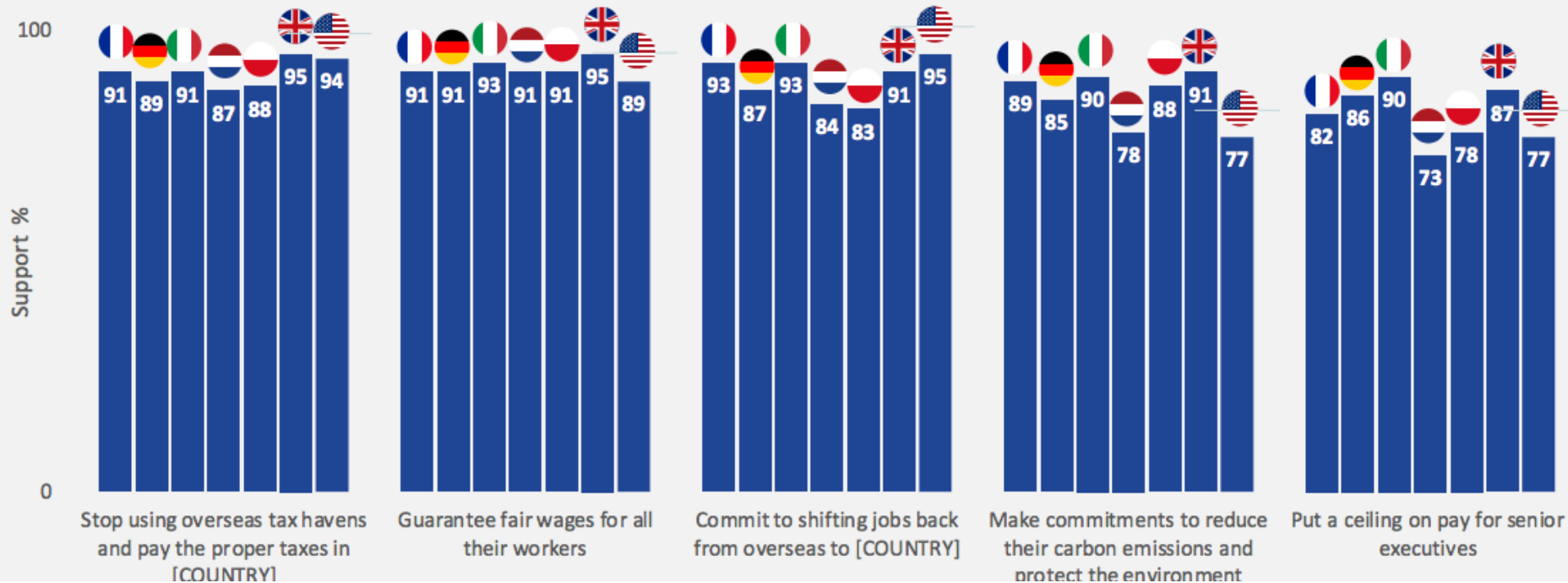


WHAT PEOPLE THINK

Bailout funds are an opportunity to shift norms on tax, wages, CEO pay and climate



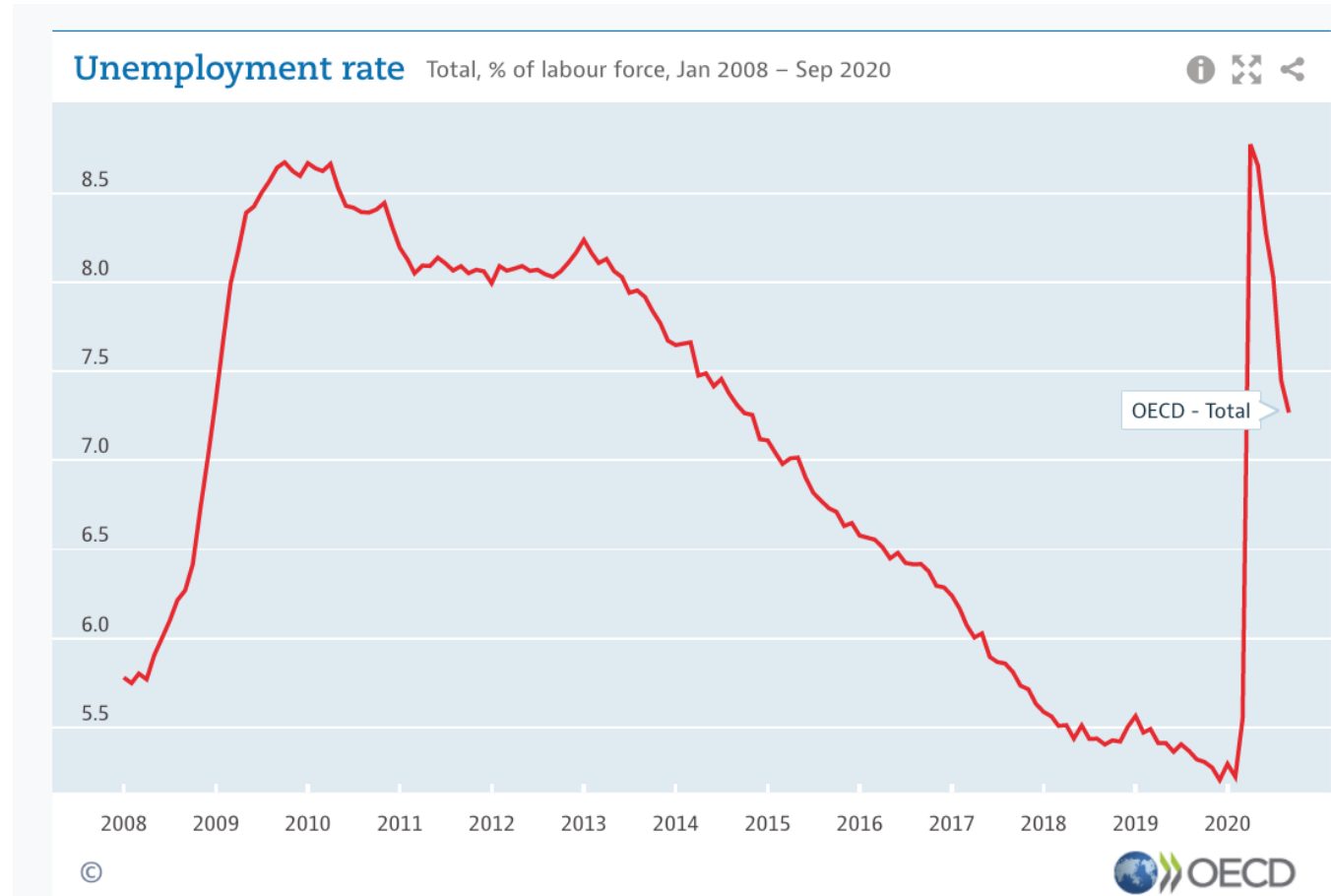
Almost universal support for policies prioritizing fairness and reciprocity



AT THE ROOTS OF INEQUALITIES

IN FEW MONTHS WE HAVE UNDONE ALL THE PROGRESS MADE IN A DECADE ON

- UNEMPLOYMENT
- GENDER GAPS
- YOUTH EMPLOYMENT
- 14 MILLION POTENTIALLY UNEMPLOYED IN EUROPE
- 40 MILLION WORKERS ARE SUFFERING INCOME LOSSES



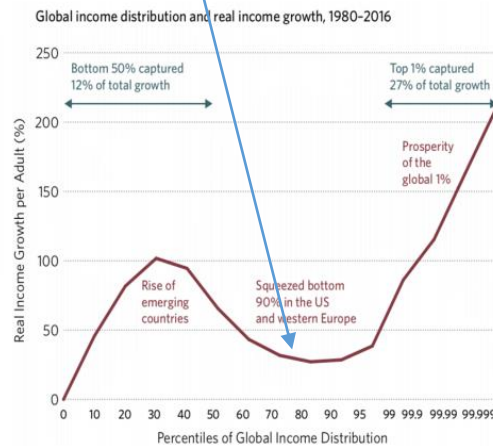
AT THE ROOTS OF INEQUALITIES

IN THE GLOBALISATION ERA (1980 – 2016)
EUROPEAN LOW INCOME POPULATION
RECEIVED THE SMALLEST SHARE OF THE
INCOME PRODUCED

EVERY YEAR PART OF THE WEALTH MOVES
FROM LABOUR TO CORPORATIONS



Which groups gained and which groups lost
(Galagher and Kozul-Wright 2019)



Source: World Inequality Report 2018b.²⁵

Figure 6: The Crocodile Graph: Superstar Predators

Top 2,000 transnational corporations' profit and the global labor income share, 1995–2015 (percentage point change in GDP)



Source: UNCTAD 2017.¹⁶

AT THE ROOTS OF INEQUALITIES

THIS GRAPHS SHOWS THAT THE MARKET IN OUR ECONOMIES DISTRIBUTES INCOME QUITE UNEVENLY.

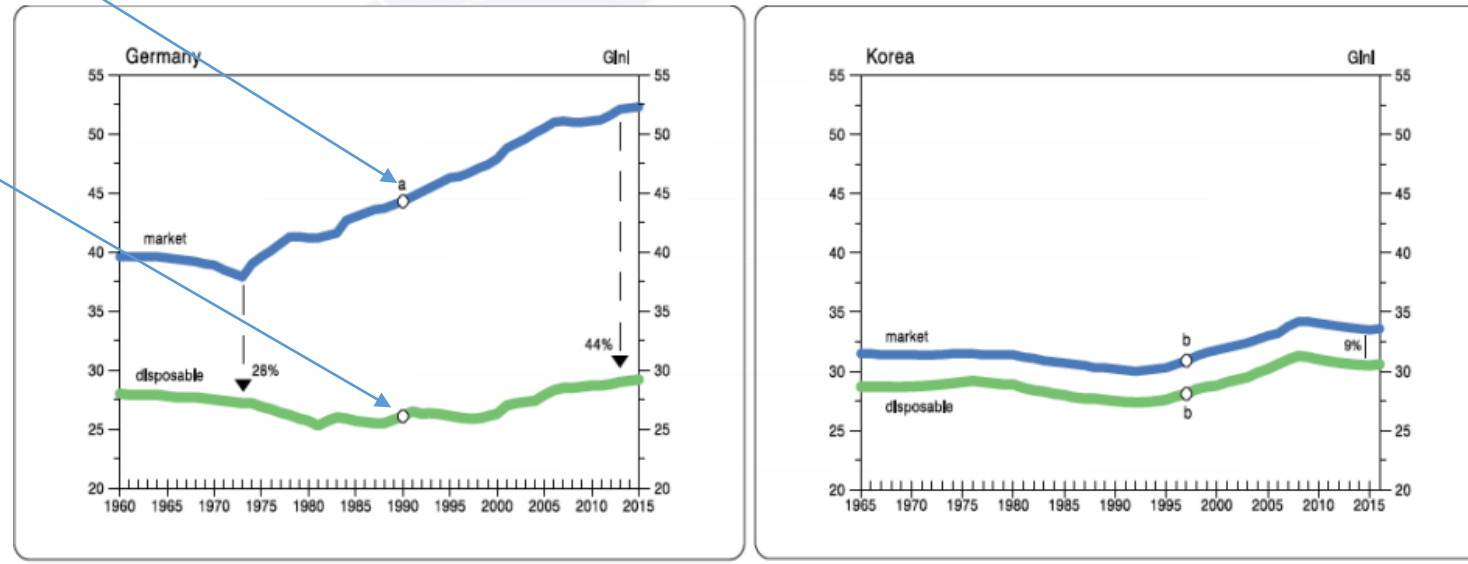
THIS OBLIGES STATES TO TRANSFER TOO MANY RESOURCES WITH TAX OR DEBT.

TAXATION IS TODAY ANOTHER BIG SOURCE OF INEQUALITY.



But what about market income?
Widening gap between market and disposable income

Palma 2019



MAPPING SOCIAL RISKS

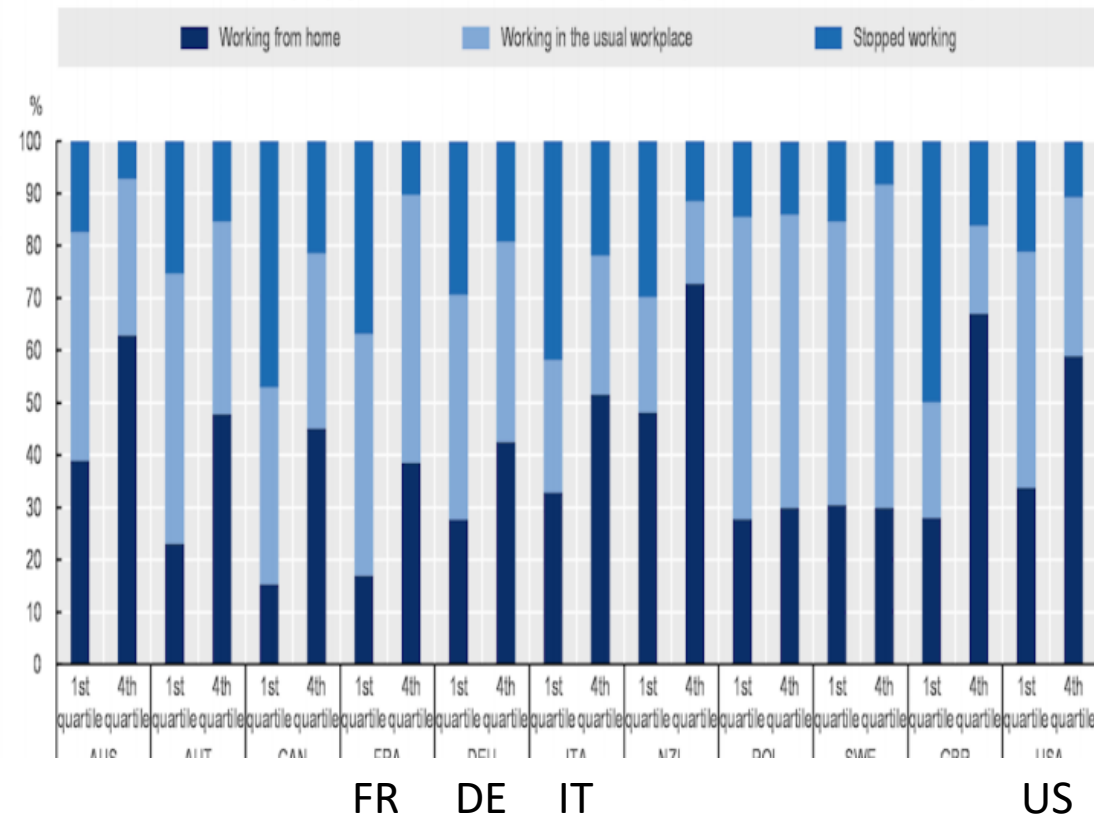


Higher Income groups can better withstand the economic consequences of the COVID 19 pandemic
OECD 2020

LOW INCOME WORKERS ARE LESS LIKELY TO ADAPT THEIR WORKING CONDITIONS TO NEW ORGANISATIONAL PATTERNS

Figure 1.12. While higher-earning workers often worked from home, lower-earning workers often had to stop working

Share of total workers usually employed before the onset of the crisis by earnings quartile, selected OECD countries, mid-April 2020



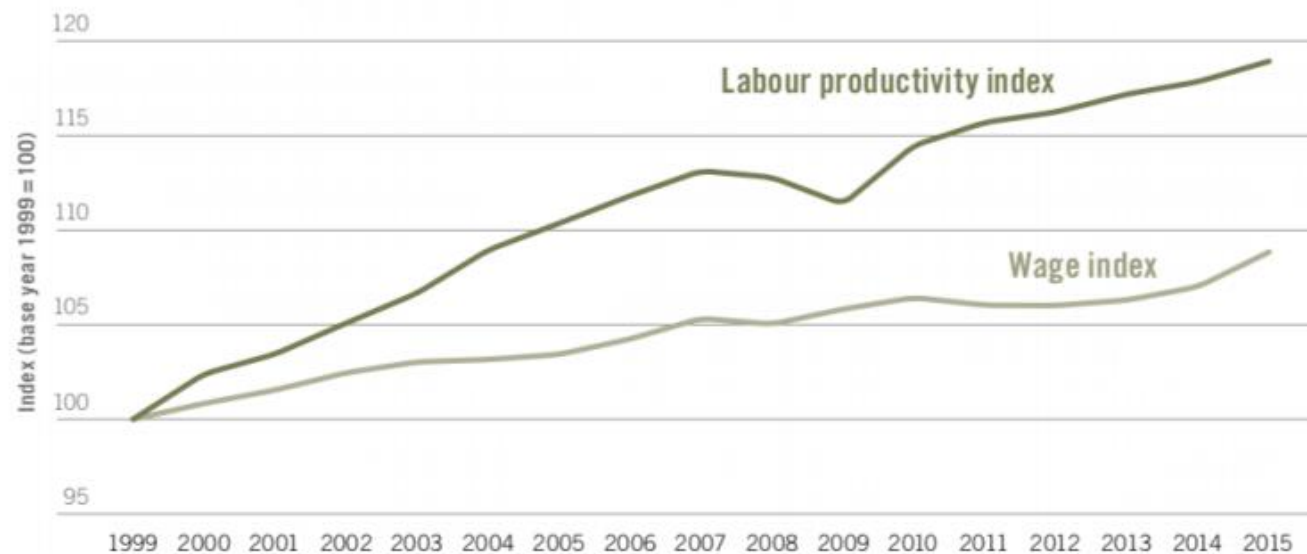
MAPPING SOCIAL RISKS

WAGES ARE STAGNATING AND RISKS TO LAG BEHIND ALSO IN SITUATION OF HIGH EMPLOYMENT.

WE HAVE TO INCREASE BARGAINING POWERS OF NON-STANDARD WORKERS/CERTAIN CATEGORIES OF VULNERABLE JOBS AND OF SELF EMPLOYED:

- THROUGH COLLECTIVE BARGAINING
- FIGHTING INFORMAL/IRREGULAR WORK

Figure 11 Trends in growth in average real wages and labour productivity in developed economies, 1999–2015



Note: Wage growth is calculated as a weighted average of year-on-year growth in average monthly real wage in 36 economies (for a description of the methodology see Appendix I). The base year is set in 1999 for reasons of data availability.

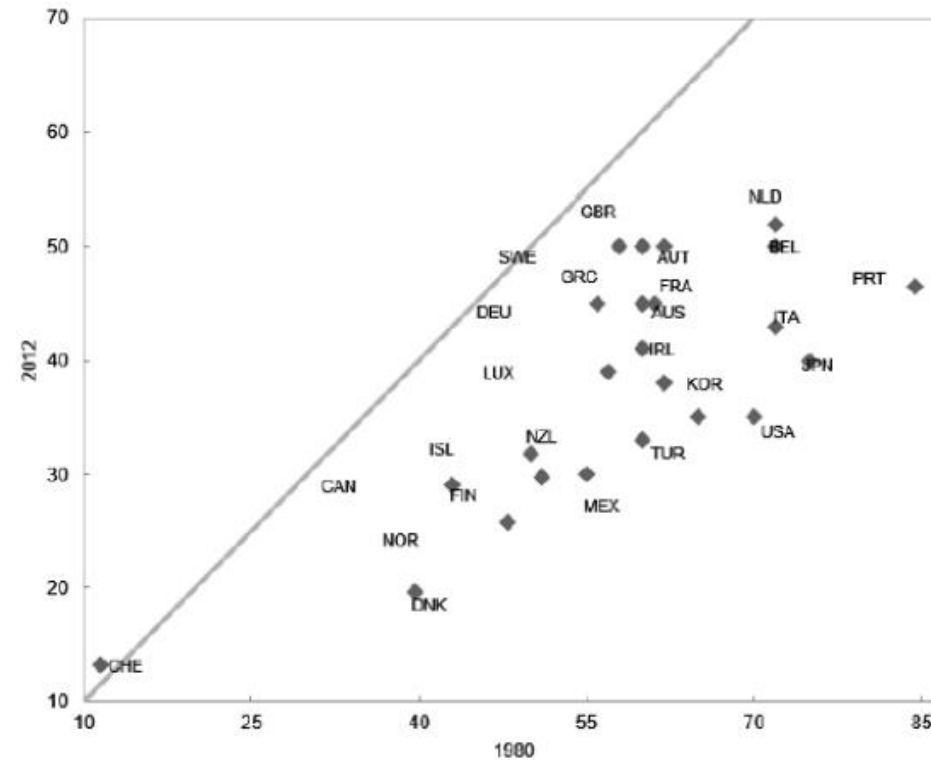
Source: ILO Global Wage Database; ILO *Global Employment Trends* (GET).

MAPPING SOCIAL RISKS

SHARE OF CORPORATE TAXES
IS DECLINING EVERYWHERE.

CURRENT TAXATION SYSTEMS
ARE NOT COMPATIBLE WITH
SUSTAINABILITY AND
RESILIENCE.

Figure 1.1: Revenue from the Corporate Income Tax (CIT) in Percent of Total Revenue



MAPPING SOCIAL RISKS TOWARD A POST-PANDEMIC ECONOMY



Six hundred million people will be looking for jobs over the next decade



250 million youth – mostly women – are NEETs



The jobs problem has an important gender dimension



2 billions workers in the informal economy

Covid-19 exacerbates the jobs challenge
Unemployment is expected to rise by between 140 million and 340 million (pessimistic scenario).

ILO estimates

SOLUTIONS

A PROGRESSIVE AGENDA FOR WORKERS

- *A progressive agenda should promote **fairness, reciprocity**. It has to protect environment, deliver on jobs and health.*
- *There is a political momentum for designing fairer tax systems, increase wages and put ceilings to senior managers' pay.*
- *This agenda should give a pivotal role to local authorities and social partners.*
- *It is preferable that this agenda would have an international size but it has to be appreciated by citizens for the tangible benefits it brings to them.*

AN ECONOMY FOR PEOPLE

- *Recovery Plan should boost public investments and the RRF in particular, must be for public infrastructures and fundamental services and not to cover losses (or hedge risks) of private investments.*
- ***Monetizing a vast programme of EU investment, to finance a good debt should not be a taboo.***
- ***A “Golden rule” for investment will lead us beyond the Stability and Growth Pact and get rid of the Fiscal Compact.***
- *In this scenario, international coordination of monetary policies is crucial.*

A JOB-RICH RECOVERY

- *A job-rich recovery will come from investments in high-productivity sectors, better distributing wealth across society and investing in people, especially training of adults, and in digital skills.*
- *The Recovery Plan has to drive modernisation of our jobs while introducing new rules and protections for workers.*
- *Taxation has to be moved from labour to digital platforms and corporations, hence increasing the aggregate tax revenue allocated to social transfers.*
- *EU own resources are an opportunity to make corporations paying their fair share of taxes.*

A SOLID SOCIAL AGENDA

- *An Action Plan for the European Pillar of Social Rights is needed. As immediate priority, we have to shelter more exposed groups such as people with non-standard contracts, low-paid jobs, self-employed, young workers and women.*
- *In the medium term, “upward convergence” remains our objective. We have to map social risks and re-design social protection schemes.*
- *As a result, we have to increase share of income received by the 40% of workers at the bottom of the pay scale.*

Empowering public services for a sustainable economy

- *The Recovery Plan shall promote public investments that reinforce basic services, access to collective services and offer to citizens a new sense of affiliation in the EU.*
- *A new social and economic governance of the EU has to be founded on **sustainability** and **liveability** ensuring resources for fundamental and provisional public services.*
- *The impact will be measured calculating value that public and collective services and fundamental infrastructures add to the well-being of people.*

ENGAGING THE PRIVATE SECTOR

- *It is necessary to develop legal and methodological frameworks that encourage investors to engage with the companies to bring them on sustainability patterns.*
- *Acceptance of national, European and international rules and frameworks, such as the SDGs, OECD standards and ILO rules are a crucial step to develop a sound methodology for sustainable investments.*
- *Social dialogue can achieve a lot, especially to create consensus on the notion of just transition.*
- *Sustainable investments are not compatible with tax avoidance.*

WORK AT THE CENTRE OF THE SUSTAINABILITY AGENDA



- *A SDG8-driven recovery distributes more to the mid-class through wages and social transfers.*
- *Through social dialogue and collective bargaining trade unions need to enhance the redistributive role of labour law and promote fairer taxation systems to reduce market income inequalities so redesigning social protection schemes that provide adequate and universal coverage to new needs.*
- *During the transition, special measures have to be addressed to those that risk to stay behind.*

PROMOTING GLOBAL STANDARDS

- *A Universal Labour Guarantee should include a full-fledged policy and legislative framework for digital work.*
- *Trade unions need to work towards recovery and resilience that will set the agenda on fundamental workers' rights, an adequate minimum wage, maximum limits on working hours and health and safety at work and all is needed to establish social protection systems that fit with our transformative economies and societies.*

BEYOND GDP

A SDG8 CENTRED APPROACH

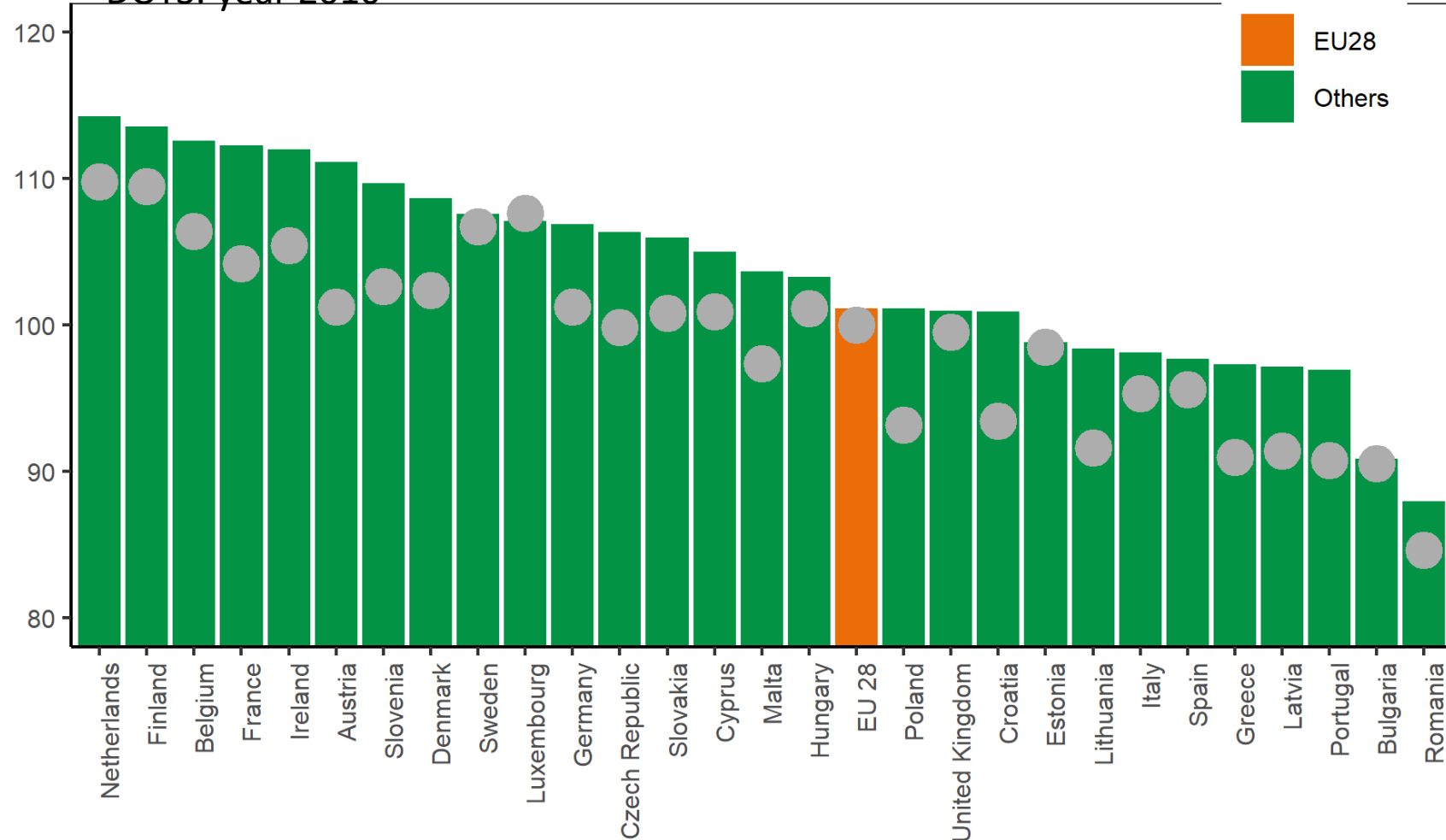
- SDG8 - PROMOTES SUSTAINABLE GROWTH, JOB CREATION AND DECENT WORK AGENDA
- IT IS THE GOAL THAT HAS MORE POSITIVE CORRELATIONS WITH OTHER GOALS FIGHTING POVERTY, INEQUALITIES, GENDER GAPS, EDUCATION GAPS, AND MANY CLIMATE RELATED OBJECTIVES AND MOST OF OF ALL SOCIAL DIALOGUE

WELL-BEING (EU, 2010 – 19)

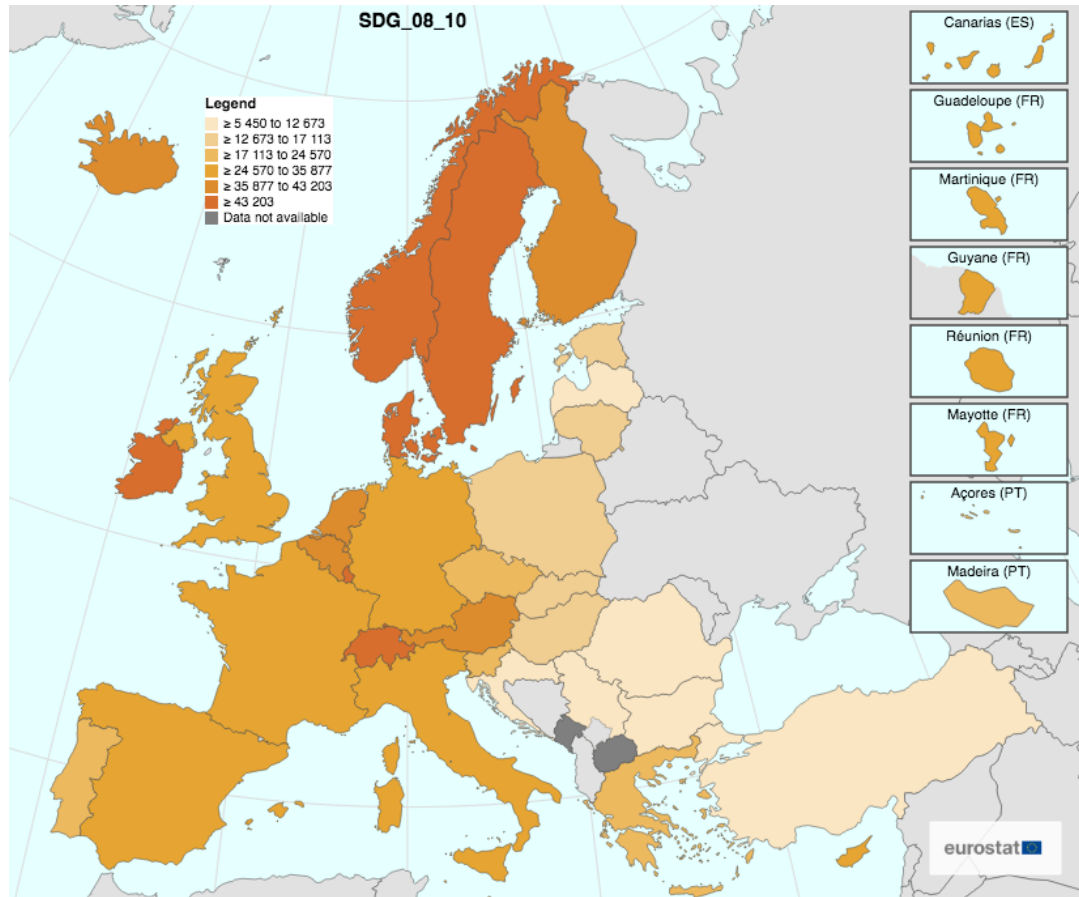
BARS: year 2019
 DOTS: year 2010

For us a society of well-being means that we monitor the resilience of our economies referring to:

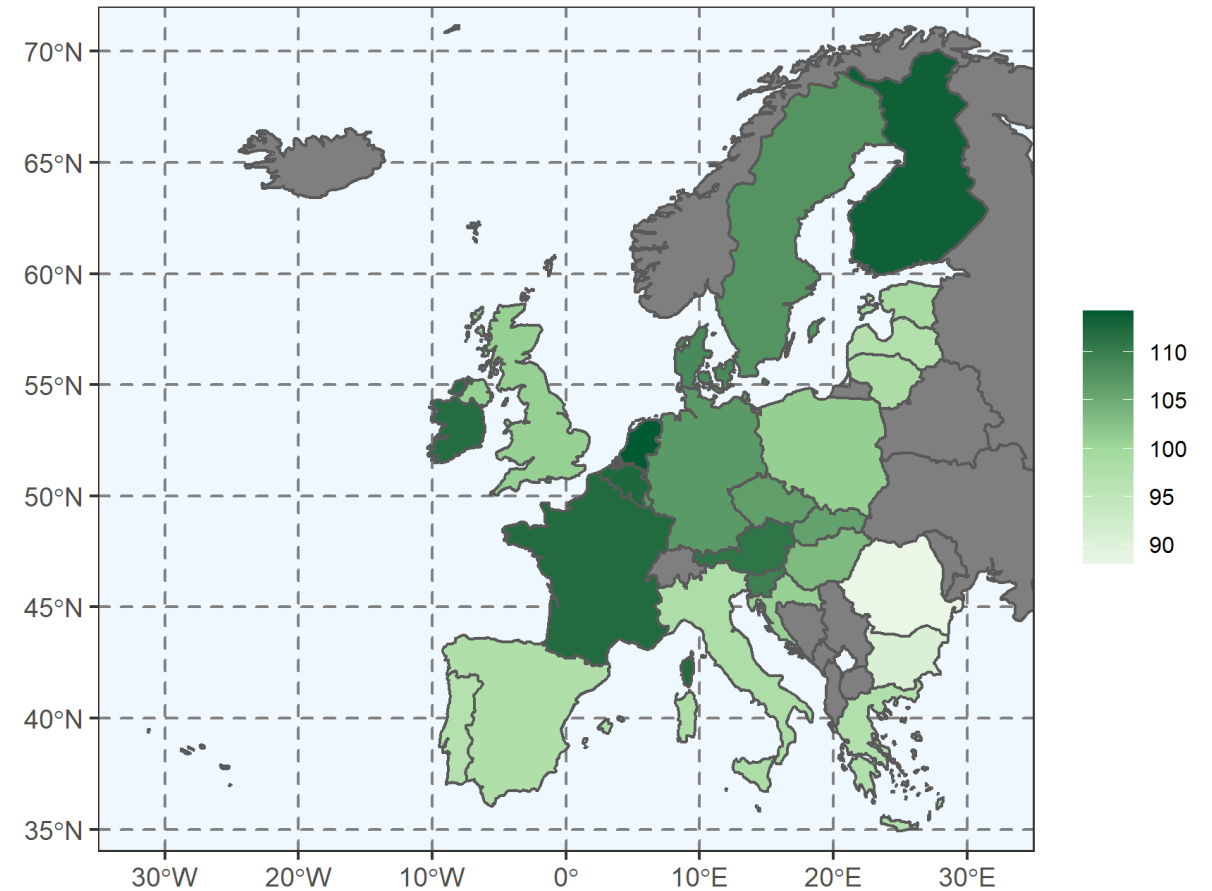
- GDP per capita and growth
- Inequalities
- Poverty
- Educational achievements
- Government expenditure for fundamental public services
- Women participation
- Dynamism of SMEs



Economies classified on basis of GDP only



Economies classified on basis of well-being composite indicator.



WELL-BEING + LABOUR MARKET INCLUSIVENESS + VULNERABILITY = #EUSDG8 INDICATOR

FIG. 4B - ETUC GOAL 8 COMPOSITE INDEX IN EU28 COUNTRIES. YEAR 2010 (DOTS) AND 2019 (BARS).

