Re-Thinking

ETUC AUTUMN SCHOOL
13 NOVEMBER 2020
CHALLENGES
COVID-19 has left people anxious about a lot – health, economy and division

- There will be future waves of COVID-19: 57%, 63%, 69%, 69%, 72%, 77%, 72%
- The economy will enter a severe depression: 79%, 66%, 74%, 77%, 90%, 85%, 79%
- The country will become further divided: 67%, 79%, 82%, 87%, 77%, 69%, 89%
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.

Agree %

77 74 71 69 62 59 54
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

Support %

0

100

Stop using overseas tax havens and pay the proper taxes in [COUNTRY]

Guarantee fair wages for all their workers

Commit to shifting jobs back from overseas to [COUNTRY]

Make commitments to reduce their carbon emissions and protect the environment

Put a ceiling on pay for senior executives
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


EVERY YEAR PART OF THE WEALTH MOVES FROM LABOUR TO CORPORATIONS
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.
MAPPING SOCIAL RISKS

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

SHARE OF CORPORATE TAXES IS DECLINING EVERYWHERE.

CURRENT TAXATION SYSTEMS ARE NOT COMPATIBLE WITH SUSTAINABILITY AND RESILIENCE.
MAPPING SOCIAL RISKS TOWARD A POST-PANDEMIC ECONOMY

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

The jobs problem has an important gender dimension

250 million youth – mostly women – are NEETs

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

WORLD BANK DATA
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.
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 need. 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)

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