

ETUC for Growth and Social Progress 2021

Executive summary: From 2020 to 2021 EU Semester cycle.

The Coronavirus disease (COVID-19) and the confinement measures taken to limit its spread are having a profound impact on the way people live and work across Europe and the world. In the short run, massive jobs losses are expected to occur, especially in specific sectors. It is thus crucial for Member States to deploy all possible policy actions to (i) ensure full support to public services at all levels, (ii) protect jobs through short-time work and income protection arrangements, and (iii) prevent a massive recession and excessive redundancies. **We expect that these measures, already in place in all member states, will be continued and reinforced for at least the entire 2021.**

The alarming economic figures are bringing about **severe social and political consequences**, which come on top of an already unacceptable situation: inequality is far too high, the average pay of workers in a third of EU countries is lower than, or nearly the same as, ten years ago, and **Covid-19 has exposed the effects of cuts and underinvestment in health, social care and other services.**

Boosting public investments is a top priority. The European Trade Union Confederation welcomes the adoption by the Council of a 1.8 billion **EU Recovery Plan**, of which €750 billion raised issuing EU debt. It is probably the most important decision taken by the European Union for more than a decade. It represents a very welcome change from the harmful austerity-led response to the last crisis, from which Europe had not yet fully recovered when COVID-19 struck.

However, the Recovery Plan (and the European Semester that implements it) must have a strong social dimension. A particular attention should be paid to those that are 'disproportionately affected' by this crisis. It is time to map the social risks that economic consequences of the pandemic are putting forward. For that purpose the ETUC has called a number of high qualified experts to discuss about **Re-Thinking our social democratic models in an economy with high debt and low interest rates that will work on the 15 and 16th of September.**

It is important that the Green Deal, the Digital Agenda, the European Pillar of Social Rights, and the UN SDGs all guide the investment plans for a recovery based on upward socio-economic convergence, social dialogue and finally able to improve social rights and working conditions. Particularly, the UN2030 Agenda and policies related to the green transition need to be actually implemented receiving full support from workers and citizens at large.

In the past months the ETUC took **action to protect workers** facing risks of unemployment or income losses. ETUC also identified relevant **risks for specific groups** that are often underrepresented outside the trade union movement: precarious workers, self-employed, young people and exposed groups of women. The ETUC believes the next EU Semester should start mapping new social risks and identify short-term and medium term solutions that could preserve social cohesion and keeping the ambition of **triggering upward convergence of working and living conditions.** This document maps such risks in the labour market, precarious work, wage formation and

collective bargaining, women position on the labour market, education and vocational training, poverty and social protection.

Mapping risks, it is important to observe what collective bargaining does. Collective bargaining is key to face the emergency and adapt to the changing productive fabric of the EU, as consequence of the green transition, digital transformation and all the envisaged consequences of the pandemic crisis.

THE ECONOMIC OUTLOOK

The European economy recorded the **deepest GDP contraction** since World War II, entering suddenly in a recession. Moreover, private consumption contracted, private and public investment spending declined and net exports fall, while the inflation rate for the Euro Area stood just above the zero, even though certain fundamental goods, such as primary food products, swung with increases close 6% but compensated by other component of the consumer basket such as energy and oil. This can have effects on the real well-being of households depending from wage-earners.

As for public finances, the government **deficit to GDP** ratio and the **debt to GDP** ratio in the euro area have both risen. This is already opening a debate around the sustainability of national public finances and how to cope with very high level of public debts in the next future, being this impacting in different manners of partners of the EU bloc.

Unemployment started rising since the first quarter of the year. However, **the real effects of lockdown and slowing down of economic activities are not visible yet in statistics** but producing evident social havoc. A meaningful data concerns unemployment as expected at end of 2021 which will be higher than in 2019.

The impact has also been highly asymmetrical among industries. The sharpest declines were observed in trade, transport, accommodation and food services as well as arts, entertainment and other service activities. The peculiarity of these most hit sectors is that up to half of the workers have part-time or temporary contracts or are self-employed. Many of them have no job security and little access to unemployment benefits or social protection measures. Moreover, they are often low paid and less able to telework, hence more likely to lose their jobs than the better paid.

Recovery plan and fiscal sustainability. On 21 July 2020, EU leaders agreed on a comprehensive package of €1824.3 billion which combines the multiannual financial framework (MFF) and an extraordinary recovery effort, Next Generation EU (NGEU), 750 billion. The package will help the EU to rebuild after the COVID-19 pandemic and will support investment in the green and digital transitions.

This is an unprecedented effort that will benefit the whole EU economy and will ensure stability of government budgets without curtailing resources for investment. However, the EU programmes have to be bound to ambitious and transparent **objectives of social progress**. They have to come into a reinforced democratic institutional setting, in which social dialogue, in full autonomy, will be promoted to plan, implement, monitor and evaluate impact of investments and reforms. As the EU Semester leads the process, it is time to deliver a final effort to create rules that allow a **proper involvement of social partners in the EU Semester**, especially in the definition of national plans.

The ETUC welcomes that in the **Next Generation EU** plan, €390 bn will be delivered as grant for investment and financing needs. In this way, it should prevent, to some extent,

Member States to further increase deficit and debt. However, without doubt the debt as percentage of GDP will increase in the months to come, and even on a longer time scale, if a solution is not found. In this respect, the ETUC is very much supportive of the ECB PEPP programme and thinks that active monetary policy will be required in the long run, to ensure low interest rates for investment and refinancing needs. This semester should continue in a situation of suspension of the MTO targets and will encourage the definition of [new economic and social governance](#) patterns that better fit with the new fiscal, economic and social challenges that the EU is confronted with.

ETUC calls for funds that have to fit for purpose and the economic governance to reinforce the investment offensive. Additionally, the ETUC demands the European Pillar of Social Rights, the partnership principle and social dialogue to be binding conditions for all funding under the Recovery Plan and the EU budget.

Moreover, we need to activate a virtuous triangle between investments, productivity and improvement of working conditions. We must be sure that employees will benefit from the green and digital economy. Productivity is a huge point of debate. Rebuilding supply chains within the EU, together with other concomitant factors, poses huge problems of productivity and maintenance of labour standards. Collective bargaining is crucial to improve working conditions. Countries with poor collective bargaining are doomed to lag behind.

We have to be sure that the funds, instruments and facilities of **the Recovery Plan respect and implement the European Pillar of Social Rights** in order to create stable and quality jobs; narrowing the gender employment and pay gaps by reinforcing work-life balance; providing protection for all workers in their workplace.

The Recovery and Resilience Facility (RRF) is the more conspicuous programme under NGEU. The RRF has a total budget of € 672.5 billion (grants € 312.5 bn + loans € 360 bn). It will provide financial support to reforms and investments undertaken by Member States. The RRF will help Member States to address the challenges and priorities identified in the European Semester. To access the facility, Member States should prepare recovery and resilience plans setting out their reform and investment agendas for the subsequent four years.

Since the access to funds for this facility is very much linked to the EU Semester, the ETUC urges the Commission **to set a binding rule for Governments to involve national social partners in the recovery and resilient plans.** Social partners have shown (when properly involved) all their competences and commitment in shaping solutions to tackle the immediate effects of the pandemic. The ETUC collects such practices and challenges that collective bargaining provided an answer to in the [COVID-Watch](#) bunches. Their role is a paramount importance in drawing the path for a sustainable and resilient recovery.

Productivity and worker-centred strategy. The decrease in private and public investment, restriction measures, increasing unemployment (that will imply waste of skills, or burdensome re-hiring practices), deterioration of assets, are making labour productivity a real challenge. **Productivity increases will be key to ensure upward convergence of working conditions while addressing old and new economic challenges.** It means having a worker-centred strategy. All productive factors shall contributing to higher productivity have to be scaled up: investments in technologies, in public sector, in labour market facilities, in skills and reconstruction of supply chain. Creating and enabling environment for investments in SMEs is crucial to create quality

jobs. These factors are assumed to improve productivity, but it is crucial that the worker stays at the centre of the picture, and that social risks of recovery are properly and promptly addressed.

An essential element showing the centrality of work is the presence of collective bargaining to adapt production patterns, organisation of work and corporate setting to the new situation. At the same time, workers should receive their share of wealth gained with improvement of productivity performances. Effectiveness of collective bargaining in economic clusters (country, region, sector, group of companies, etc.) will measure resilience of economic clusters and the potential success of the economy.

However, in recent years, productivity gains were unevenly distributed between capital and labour. Productivity, wage and profit performances are strictly related. The interaction between these three factors determine how much is allocated to different productive factors. Recently, technology arrived to grasp a bigger slice of the pie. There is a widespread conviction that **wage had underperformed in recent years.**

Productivity is a key issue since the EU will likely experience labour market shortages caused by shrinking or ageing of the population and reduced supply of work. This is also linked to a different management of working time, increasing workers' time sovereignty. In view of this, we propose the reduction of working time while keeping the same compensation levels.

LABOUR MARKET

Already in the first three months of the COVID-19 restrictions, **unemployment** increased by 900,000 units across the EU to a shocking total of 14.3 million. The ETUC, thanks to the reporting from its affiliates is able to estimate that a further 45 million workers were currently in short-term work schemes and at serious risk of unemployment, along with the 2.5 million workers on very short-term contracts.

Statistics are not reflecting the real risks concerning the labour market and potential impact that the crisis will have on workers. As rightly reported by Eurostat, the employment and unemployment indicators as defined by the ILO¹ are "in this particular situation" not adequate to describe the developments currently taking place in the labour market. The confinement measures applied since March 2020 have triggered a sharp increase in the number of claims for unemployment benefits across the EU. At the same time, a significant part of those who had registered in unemployment agencies were no longer actively looking for a job, e.g. limited by the confinement measures or no longer available for work, for instance, if they had to take care of their children during the lockdown. This leads to discrepancies in the number of registered unemployed and those measured as unemployed according to the ILO definition. Total labour market slack, which comprises all persons who have an unmet need for employment² has increased by 0.3 percentage points in first quarter 2020 compared to fourth quarter 2019.

Hence, although the economic activity shrank significantly in the first quarter, the employment in the euro area fell by only 0.2%, but anyway the **unemployment rates** started picking again after year of gradual decreases. It was 7.2% in July 2020, while the

¹ ILO counts as unemployed people without a job who have been actively seeking work in the last four weeks and are available to start work within the next two weeks.

² Either because they are unemployed according to the ILO definition, are close to unemployment while not fulfilling all ILO criteria, or are working part-time and would like to work additional hours

unemployment rate for women was 7.5% in the EU, and the youth unemployment rate stood at 17%.

This containment of unemployment has been mainly due to the role played by **job retention schemes such as short-time work schemes**. ETUC supports the extension of temporary measures needed to mitigate the impact of the crisis, such as the short-term work arrangements, income support, extension of sick pay, postponement (not waiver) of employers' social security contributions, preliminary tax on salaries and value added tax, and the promotion of teleworking (in full compliance with the employers' obligation about H&S). Income replacement measures, including temporary unemployment or short-time working, should guarantee at least 80% of lost income.

Moreover, we note that total **actual hours worked have dropped sharply** in the EU, during the first months of lockdown measures. These data are even more considerable with respect to women.

Finally, the ETUC welcomed the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency ("**SURE**"), which will provide financial support to Member States to tackle swift increases in public expenditure for the preservation of employment. This instrument is meant to finance short-time work arrangement, income compensation schemes, and similar measures at national level, and it's supposed to cover all cover all workers, including independent workers, ensuring them by keeping receiving (part of) their remuneration. This initiative is aimed to reduce as much as possible structural unemployment, by ensuring that workers can keep their jobs and companies can survive during the crisis. The ETUC reaffirms the need to expand and prolong the emergency measures as long as necessary, and to make them coherent and coordinated with the subsequent recovery strategy. However request for financing submitted by member states, that will likely be equal to a disbursement of 81% of the available resources, do not respond to a clear EU project not to EPSR priorities.

However, putting SURE in place should not mean that plans for a **European Unemployment Reinsurance Scheme (EURS)** are abandoned. A permanent scheme is still needed to protect the Euro area from future crises. A permanent EURS, coupled with binding social minimum standards for national unemployment insurance schemes, will mitigate occupational shocks. Moreover, with reference to the EPSR and the social objectives of the Treaties, it could be worth to setting legally-binding minimum standards for unemployment benefits in terms of coverage, adequacy, activation targets, the right to training, and the duration of the entitlements.

EDUCATION and TRAINING

Policies are needed to support the creation of quality jobs and re-skilling and up-skilling of the workforce, to better adapt to the future challenges and transitions, but above all, to improve workers employability in the aftermath of the pandemic. Many of them will need to acquire new skills and move to new jobs in a different sector of economy. More will need to upskill to keep their job in a new work environment. Even more challenging will be entering in the labour market for many young people.

In this regard, the ETUC welcome the new **European Skills Agenda**. To meet its targets, **a massive investment in skills is needed**. Money from enterprise and governments will not be enough, the EU has to prioritise investment in people and their skills in the EU budget. Now, more than ever, the **EU needs a clear approach on skills** that delivers

an audacious skills agenda for jobs to drive the green and digital transitions and ensure recovery from the socio-economic impact of the pandemic.

The COVID-19 pandemic has accelerated the digital transition. **Telework and distance learning** have become a reality for millions of people in the EU, however revealing the limitations of our current digital preparation. **The digital skills gap** has **accentuated** the already existed and new inequalities, as many people do not have the required level of digital skills or are in workplaces or schools lagging behind in digitalization. In addition, issues regarding the digital divide and unequal access to distance teaching and learning have risen and must receive attention.

Providing people with the **right skills** allows them to work more effectively and better exploit technologies, eliminates the major obstacle identified to business investment, prevents labour market mismatches and lays the ground for research and development (R&D) and firm-based innovation.

Access to up- and re-skilling opportunities is a right for all the EU citizens and it is vital for millions of workers driven into short-time work or unemployment, no matter their current level of skills or area of qualifications. Having the right skills means being able to more easily stay employed and grasp job transitions.

Lifelong learning for all must finally become a reality in Europe. All Europeans should have access to attractive, innovative and inclusive learning programmes also because skills become obsolete more quickly nowadays. Learning throughout life, including at an older age, is what will make the difference. Yet less than two in five adults participate in learning every year. This is not enough to relaunch our economy and collect the eventual benefits of the green and digital transitions.

The ETUC priorities concerning education are:

- to significantly increase the **share of adults participating in learning** overall (VET);
- to increase the participation in learning of **low-qualified adults** and the **unemployed**;
- improve **digital skills** (hard skills) and **green skills** (soft skills).

WAGES and COLLECTIVE BARGAINING

The recovery from Covid-19 cannot be built on job losses and unfair competition between member states on wages and working conditions. The European economy is wage-led, and needs demand-side and wage-led solutions to get out of the crisis. The ETUC wage scoreboard confirms the challenges identified last year, and statistics do not help track the effects of the pandemic on wages. The reporting of ETUC affiliates help us to identify the following challenges concerning the 4 priorities of the ETUC: ensuring that real wages increase in line with productivity, that wage dynamics follow an upward convergence trends in all countries, that low wages remain above the poverty threshold and that pay-gaps are removed, banning all form of discriminations with a specific view on gender pay-gaps.

One in ten workers live in households that are **at risk of poverty**: an alarming 20.5 million persons. From 2010 to 2019 wages increased less than labour productivity in the majority of Member States. Workers in two thirds of EU member states are receiving a smaller share of their country's GDP than they were at the beginning of the decade³.

³ <https://www.etuc.org/en/pressrelease/workers-share-economic-prosperity-down-18-eu-member-states>

More than half of the EU population live in a situation of **stagnating wages and increasing divergences of wage levels**.

Low wage developments also negatively impact productivity through decreases in investment, while fostering financialization. Low wage levels are also an essential cause of rising inequalities, both in income and wealth, which are detrimental to economic growth. Poor wage performance are explained by policies in a number of Member States which have contributed to the decline in the number of workers benefiting from collective agreements⁴. **Minimum wage increases would help to curb economic and social divergence currently experienced.**

Unjust, unconscionably low pay is an unfair condition of employment and the imbalance in bargaining power between employers and workers on the labour market needs to be rebalanced. This is why ETUC is calling for a **Framework Directive**. The objective of the EU initiative should be to guarantee fair working conditions. To achieve this, it must also ensure that all workers can join a union empowered to bargain for fair wages and conditions for them.

The **ETUC demands that Member States are required to ensure that statutory minimum wages** – where they exist – are never set below the double decency threshold of **60% of the national median wage and 50% of the national average wage**. This leaves the Member States and social partners free to determine the level of their minimum wages.

The ETUC monitoring COVID-Watch shows that **collective bargaining and social dialogue were key to introduce emergency measures** at the outbreak of the pandemic crisis and key to preserve social peace during the lockdown. This semester should have as key priority the **reinforcement and promotion of collective bargaining** at all levels, in the respect of national specificities, practices and culture and refraining from interfering with the autonomy of social partners. At the same time, it is possible to build on best practices to multiply such practices, introduce elements of coordination and promotion of collective bargaining and social dialogue at both national and European level. In this regard, it would be advisable that plans for national reform programmes and plans referring to the RRF are designed in full cooperation with the social partners.

Gender pay gap remains one of the great challenges of our times. Gender pay discrimination is one of the reasons women in the EU earn 15% less than men on average.

Pay transparency measures would improve workers' access to information on pay – raising awareness of discrimination and making it easier to enforce equal pay. It also helps women file claims related to pay issues. The ETUC called for a Pay Transparency initiative (yet to be adopted by the Commission).

Coordination of wage policies in the EU Semester showed to be ineffective for boosting the upward convergence but most of all were not able to shelter workers in low segment of the wage scale against poverty. The ETUC wage scoreboard showed that countries with high coverage of collective bargaining and ongoing upward convergence of wages curtail in-work poverty rate by the half of the EU average (close to 10% before the pandemic). It appears finally clear that the EU Semester can succeed in pursuing upward convergence of wages and raising low wages above the poverty thresholds only if

⁴ <https://www.etuc.org/en/pressrelease/33-million-workers-lose-out-because-member-states-fail-protect-collective-bargaining>

supported by minimum standards at EU level [see ETUC answer to the public consultation]. Still, the indicators measuring the impact of the Recovery Plan should include benchmarks for upward convergence of wages and clear target to prevent in-work poverty. The ETUC will monitor these specific aspects within the SDG 8 index that will monitor social sustainable progress in the EU mainstream policies.

SOCIAL PROTECTION and POVERTY

Coverage, effectiveness and adequacy of social security benefits must be boosted, especially for groups at high risk of poverty, such as precarious and self-employed workers, and those exposed to unemployment. Decent minimum levels of income and social benefits must be guaranteed to all.

Yet, data show how the social challenges recurrently illustrated by trade unions still need to be tackled, and this is even more true in a post-Covid scenario.

The **public expenditure rate in social protection** increased, in real terms, in proportion less than GDP since 2016 in most Member States.

Elderly people remain extremely **vulnerable**, due to the persistent inadequacy of pension income, which only provides with a relative protection against poverty risk. Even more worrying is the situation of **older women**, as one in five women aged 65+ is at risk of poverty or social exclusion in the EU. The gender pension gap in the EU is 35.7%. Pension adequacy must be promoted to allow elderly people to live in dignity. The demographic challenge must be faced investing in more and quality jobs.

Access to healthcare has represented a challenge for millions of people during the peak of the pandemic. The drastic reduction in public expenditure in health and long-term care emerged as outrageous and anachronistic. Indeed, governments' expenditure for health has steadily declined. The widening **gap between needs of the population and response of the state** is represented by the share of the population reporting perceived unmet needs for medical care (due to either too high costs, too long waiting times or travelling distance). **Out-of-pocket payments for health** measured 20% of current health expenditure in the EU.

Pre-pandemic data indicated that there are **112 million people** in Europe who are **at risk of poverty or social exclusion**. In the current situation, governments must adopt clear measures to prevent people from falling into poverty. These people will probably be unemployed, having difficulty finding a job for quite a while. Rules on the length and amount of unemployment benefits should be relaxed.

Social protection schemes are an essential component of a coordinated policy response to the crisis. They stabilize the economy by supporting jobs and incomes and thus increase resilience and the likelihood of a quick recovery. It is crucial to boost coverage, effectiveness and adequacy of social protection systems, especially for groups at high risk of poverty, such as precarious and self-employed workers, women and those exposed to long-term unemployment. The implementation the Recommendation on access to social protection must represent a turning point and must be enacted by national reforms that ensure long-term security to citizens.

The social security system is facing an unseen pressure, while many people cannot get the necessary coverage. Hence we urge to **rethink the social security schemes**:

- A guaranteed financing of social security systems for at least the whole 2021, through a guaranteed balance dotation, covering the gap in the social security budget.

- A larger coverage of adequate social security benefits for all workers, with special attention for freelancers, platform workers, temporary workers and part-time workers.
- Restore the level playing field on the labour market, by abolishing different market-distorting systems such as the flexi-jobs and the platform workers schedule.

Income support can be provided by extending existing social protections (giving wider access to unemployment benefits and social assistance) for all workers, including vulnerable categories such as self-employed. Ad-hoc payments targeting financially vulnerable groups (e.g. single parents, young people, low-income families and parents facing care problems due to school closures) can be used to replace income and cover urgent needs, thus maintaining the living standards of those most affected by the crisis.

The right to an adequate, accessible and effective **minimum income** protection must be guaranteed in the EU, via a **European framework directive establishing common principles, definitions and methods**. Minimum income schemes must guarantee sufficient income to meet the essential needs of people and their dependents and be highly inclusive and accessible; for those able to work, they must be combined with a series of services and embedded within a broader EU and national policy response to active inclusion. EU standards for a minimum income cannot be seen as a disincentive to work.

Beyond the temporary income support measures in the crisis juncture, the next European Semester should start helping convergence in a way that minimum income schemes shall provide benefits in cash and services in kind, activation measures and concrete opportunities of inclusion in the society. Investments in quality job creation can guarantee that the social assistance pays back in long term societal and economic terms.

EUROPEAN PILLAR OF SOCIAL RIGHTS (EPSR)

The ETUC is convinced that a strong recovery can only rely on a resilient social model. To do so, the implementation of the EPSR is fundamental. The Action Plan to implement the EPSR serves as a tool for Member States to address twin transitions (green and digital) and to lead the recovery, also mitigating the negative effects of the pandemic on health, employment, social and economic aspects. **The Action Plan should provide direction and also suggests common legislation** to be adopted and/or agree on common objectives within the framework of strengthened cooperation, coordination and solidarity. It should be a milestone of a new social and economic governance of the EU. The European Union needs to develop its own growth drivers, domestically, ensuring a level playing field while also focusing on economic and social upward convergences. A coherent and inclusive strategy is needed to focus on fiscal, economic, environmental and social objectives.

The impact of EU policies should be assessed against the creation of high quality jobs and wage increases within an upward convergence process among Member States. Economic and employment stabilizers at EU level would ensure a more balanced economy and would counteract adversities whenever they occur. As the EPSR is implemented also via the EU Semester, it is crucial in this historical period that the economic governance better promotes and enables social investment and investment in skills, education and training, quality healthcare and social care services, job-search assistance and social protection. Moreover, Social Imbalance procedures should be monitored and addressed also thanks to an upgraded/improved Social Scoreboard.

CSR 2020 have to be implemented with the support and involvement of social partners, and should be considered part of the implementation of the EPSR. In this regard, European trade unions identified some [country-by-country urgent measures and priorities](#). In a nutshell, Trade Unions reiterated the need to undertake long-term and forward-looking reforms and state investments in education, training, social infrastructures, active employment policies, as well as in just transition towards a low carbon and a more environmentally sustainable economy. Fiscal resources are crucial for the financing of a high level of social protection and quality public services. The adoption of radical redistribution policies is recommended, especially fair revisions of wage, contribution and taxation policies, as well as combatting undeclared work and the informal economy. Tax justice is one of the most frequent topics addressed by Trade Unions. Increased progressivity on personal income taxation (including capital and real estate gains), shifting the tax burden in favour of environmentally related taxation, improving tax collection and enhance the fight against tax evasion and tax avoidance, are considered the main priorities. It is also said that it is time to reverse the overused flexibility of the labour market. Several trade union proposals have the objective of improving efficiency of labour market and addressing country specific challenges, such as public employment services for quick transitions or penalising temporary contracts.

UN AGENDA 2030 and EU SDG8i

The semester should better balance social and environmental objectives with economic growth. The UN2030 Agenda seems to be the compass to keep such a balance. But we expect that the next Semester moves from a monitoring of SDG implementation approach to a real use of SDG according to which the socio-economic dimension of sustainability will lead a quicker transition toward a green and digitalised economy. Moreover, the EU Semester should be designed in a way that aims at stabilising the EU economy, maintaining high levels of public investments, and utilising a more prominent presence of EU automatic employment stabilisers (e.g. permanent scheme to mitigate the unemployment risks in EU).

To monitor the Semester process deliverables, the Scoreboard is not sufficient anymore, we propose a ETUC indicator, the EU SDG8 index. The Goal 8 Index we are developing will be able a composite indicator that will analyse wellbeing, quality of labour institutions, vulnerability and trade unions' rights.

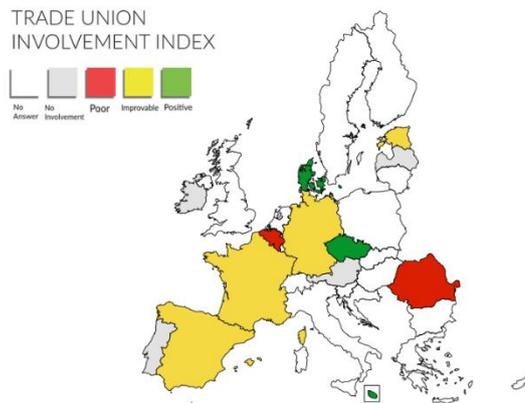
The ETUC proposes an approach based on

1. reinforcement of economic-well-being of people, that pursuing a sustainable economic growth; the EU could better deliver in terms of fight against inequalities, to stem poverty, to have a well-educated population, to ensure access of women to top positions, ensure universal coverage of social protection systems, and to enhance SMEs within value chains.
2. Making progresses on quality of employment. Beside the tradition employment, unemployment, and activity rates, healthy labour market should be inclusive for women, young people, migrants, 50+ and other vulnerable categories. It should also ensure fair remuneration of work and fight against in-work poverty. It should also improve access of adults to VET.
3. Detecting social risks and factors of vulnerability of workers. It comes with workplace protections, reducing as much as possible precarious and low paid jobs, mainly ensuring a safe workplace and removing all forms of discrimination, with particular reference to women.
4. It should ensure that trade union rights and collective bargaining can express all the potential to adapt for change and preserve social cohesion.

SOCIAL DIALOGUE and TU Involvement Index

A safe, fair and sustainable recovery requires a commitment to supporting social dialogue, both bi-partite and tri-partite social dialogue. This includes a commitment to capacity building of social partners and social dialogue institutions. Proper involvement of social partners in developing measures to tackle the covid-19 crisis is crucial, however there is evidence of social partners and social dialogue institutions being side-lined, and in some cases attacked. Capacity building of social partners, in line with the quadripartite statement, remains fundamental, while the autonomy of the social partners must be fully respected.

Trade Union Involvement Index 2020 (provisional data)



The Involvement of trade unions at the EU Semester milestones is not improving. There are still too many countries where trade unions are not involved at all by their governments in the Semester process. The number of good practices is really poor. *[These data are still provisional. Updated map and final analysis will be available at the end of September 2020].*

Considering the prominent role that the EU Semester will gain in the implementation of the MFF 2021-2027 and the Next Generation EU programme, thought should be given to introducing a mechanism that grants the right to social partners to be consulted, at both EU and national level, at the milestones represented by the Semester. An amendment to the six-pack regulation should introduce an **obligation on national governments to consult social partners at national milestones of the Semester**, introducing criteria such as the good timing, meaningfulness and appropriateness of the consultation (EU Regulation 1146/97 as amended by EU Regulation No 1175/2011).

NEXT STEPS

Trade Unions Inputs for country reports have to better reflect the new features of the economic governance, including the elaboration of recovery and resilience national plans. Such plans come together with other plans and operation programmes that the different sector legislations are introducing.

The ETUC will collect inputs in a single template that is revisited in order to better reflect the prominence of investments and just transition elements in the Recovery Plan. The final output should integrate country-based and sector-based inputs.

Still the ETUC and its national TU confederations will continue to exercise the peer review exercise run by EMCO that monitors social partners involvement in the EU semester (or social dialogue for reforms).