

DG ECFIN webinar for national Trade Union  
and ESOs:  
The EU economic response to coronavirus

## **The Recovery and Resilience Facility**

---

January 26, 2021

## ETUC's assessment of the RRF

- 1) The ETUC and European trade unions welcome that EU institutions and member states jointly replied to the pandemic-induced crisis by **mobilising an unprecedented amount of resources, notably via the *multiannual financial framework* (MFF) and the *Recovery and Resilience Facility* (RRF).**
- 2) The RRF represents a first-ever political achievement toward a greater European integration. Reforms and investments undertaken by the EU member states are indeed funded by a common debt instrument.

## ETUC's assessment of the RRF

3) The RRF provides a **valuable political opportunity to move away from the failed economic paradigm related to austerity and toward a newer and more socially-oriented economic governance**. RRF is intended to finance actions largely devoted to shape a greener, more digital and fairer future. By doing so, it paves the way for much needed investment the European labour movement has been calling for more than a decade.

4) *In particular, **spending for social (notably for implementing the EPSR), green (at least 37% of each country's envelope) and digital ((at least 20% of each country's envelope) objectives are now an integral and key element of the RRF.*** The final text resulting from the inter-institutional negotiations is much better than that initially proposed by the Council and Commission, also thanks to the contribution of the European trade unions.

## ETUC's assessment of the RRF

5) However, **some major concerns still remain:**

- Despite the demand of trade unions, **EU institutions did not include a binding rule for social partners' consultation on the national recovery and resilience plans but a reporting obligation.** This is welcome but weak. Indeed, it give us no guarantee that meaningful and timely consultations will take place. This is confirmed by the current situation in most EU member states where discussions are taking place but the level of dialogue and information provided is generally very low.
- **Though they were diluted to a certain extent if compared with original proposal, the final text imposes the respect of macro-economic conditionalities to the use of RRF resources.** ETUC and trade unions strongly opposed as they expose member states to the risk of harming the smooth implementation of the much needed investment funded via the national recovery and resilience plans because of deteriorating imbalances which are the consequences of member states' efforts to combat the Covid-19 crisis!

## ETUC's assessment of the RRF

6) For the RRF and national plans to deliver on their promises is thus key that social partners are consulted and participate to the design, implementation and monitoring of the reforms, investment and actions funded by the RRF. This will make governments accountable and will ensure that these resources are allocated in the best possible way to boost a sustainable, inclusive and fair recovery. **A people's recovery** as asked by the ETUC and its member organisations.