



# RETHINKING 2024

TUSLO meeting, Lecce 7 and 8 September 2023

# EXTERNAL THREADS

- War in Ukraine will continue have effects on the EU economy
- Geopolitical instability increases, fragmentation of global financial institutions
- Climate change contributes to geopolitical instability and economic uncertainty
- Unsolved problems with management of migration and people movement



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# INTERNAL THREADS

- Long tale of COVID-19 crisis:
  - dramatic increase in company crisis due to financial tensions and bankruptcies
  - deep transformation of several productive sectors
  - transformation of working patterns and labour market dynamics
- Demography: trends and difficulties to use all levers (natural change, migration, naturalisation, etc.)
  - Impact on welfare systems
  - Skill shortages
  - Labour market dynamics
- Economic outlook
  - Stagnating GDP
  - Inflation lower but still high
  - New dynamics in public finances (possible reform of the SGP)



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# OPPORTUNITIES

- Global action of the EU
  - Open Strategic Autonomy
  - Economic Security
  - New multilateralism while strategic partnership (global gateway)
  - Global role of Euro
- New role of the EU to plan economic and industrial strategies
  - Greening economy = a lot investments
  - Biodiversity, circular economy, clean environment = wellbeing and healthier
  - Green and social investment to decouple growth and consumption of natural resources
  - Just transition can open new rights and opportunity to workers
- New Economic and Social Model
  - Different use of public finances
  - All dimensions of sustainability (Agenda UN2030)



# SOCIAL (GEO) DIVERGENCES

- Slight improvement of decent work in the EU during the last years
- Population at the bottom 5 countries of the EU\_SDG8 index increases while population at the top 5 positions shrinks.
- Countries populating the top positions are at the core of single market or northern EU. Countries populating bottom positions are at the periphery or Med area.
- Employment apparently stable but huge problems with company crisis, transitions and use of flexible working contracts



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# SOCIAL DIVERGENCES (POPULATION)

- No convergence
- Driving downward
  - Income distribution
  - Collective bargaining coverage (last years)
  - Low wages and in-work poverty
  - Involuntary part-time
  - Gender-based discrimination
  - NEETs
- Driving upward
  - Women in apical positions
  - Adult participation in training



# DECENT WORK AND DRIVERS OF CLIMATE CHANGE

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- the SDG8 composite has a positive effect on the share of fossil fuel in gross available energy that can be quantified in a reduction of 0.356% of the share of fossil fuel for +1 pt of the SDG8
- effect on the domestic material consumption per capita but is a negative effect. Increasing the SDG8 by 1 point corresponds to an increase of 149 kg per capita of domestic material consumption.
- no effect of SDG8 composite on final energy consumption in household



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# DECENT WORK AND EMISSIONS

- The SDG8 has a very moderate effect on greenhouse gas emissions per capita.
- The SDG8 composite indicator has no impact on the water exploitation index
- the SDG8 composite has a significant impact on the years of life lost (YLL) due to PM2.5 exposure with a decrease of 19.42 YLL for +1 pt of the SDG8 composite.







# DECENT WORK AND MITIGATION

- The effect is strong on share of energy from renewable sources with an increase of 0.366% for each point of increase of the SDG8 composite.
- Land use is a complex topic and the effect that improving decent work and economic growth can have on this domain should be studied more.
- pursuing the aim of the goal 8 has a positive impact in the water productivity



# HINTS FOR THE NEXT SEMESTER

- More investments are needed to create /convert green jobs
- sustainable production models exist: expand practices, transfer technologies and multiply good models to achieve change
- Inequalities are one of major obstacles to change acceptance (people have no expectation that the green transformation will bring benefits)
- Huge opportunity to plan the green transitions with job creation and better jobs (skills are crucial but not The magic stick)
- Delaying in adapting workers rights to digitalisations and transformation of work (collective bargaining goes faster, where exists)

# REINFORCE THE SOCIAL DIMENSION OF THE EU SEMESTER – new tools?

- Social Convergence Framework
- Promoting social investments within the social investment rule
- New JER and Social Scoreboard in multiannual planning



# INVESTMENT CHALLENGES

- Implementing the RRF – not only RePowerEU but also bottlenecks in the implementation of reforms and activation of investments
- Temporary crisis and transition framework – avoid segmentation of internal market, predicting job losses, maximising job creation
- More resources for green investments
- Possible effects of STEP = protecting structural funds for social and territorial cohesion



# SOCIAL DIALOGUE

- Lack of social dialogue is reported as one of bottleneck in RRF implementation
- As income distribution is one of big challenges, collective bargaining is a lever of equality, together with implementation of Directive on adequate minimum wage
- New social tools require extra effort to involve social partners and in particular trade unions

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# ANNEX: DATA, EVIDENCES, INFO



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# EU\_SDG 8 Index performance 2010-21



Modest improvement over the 12 years

- Top 5 countries = 10% population = Northern countries
- Bottom 5 countries = 33% population = southern/Med countries



# EU\_SDG 8 ECONOMIC WELLBEING

Economic well being contributes less to social sustainability – Problems with redistribution of wealth and social mobility

Top 5 = 45.4 million = stable (FIN, DK, SW, BE)

Bottom 5 = 76.7 million = + 32 million (ROM, BG, GR, ES, IT)

Good performance on position of women in apical position

Bad performances in income distribution

Higher risks of in-work poverty at the bottom of the scale





# EU\_SDG 8 EMPLOYMENT QUALITY (INCLUSIVENESS)

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Strong rebound after the COVID-19 crisis but ,  
declining collective coverage in last 2 years.

Top 5 = 119 million = + 1 million  
(DE, AT, SW, DK, NL)

Bottom 5 = 146.8 million = +27.2 million  
(IT, SP, GR, HR, ROM)

Positive trends in higher ranking countries on  
gender employment gap, slightly in labour  
market slack.

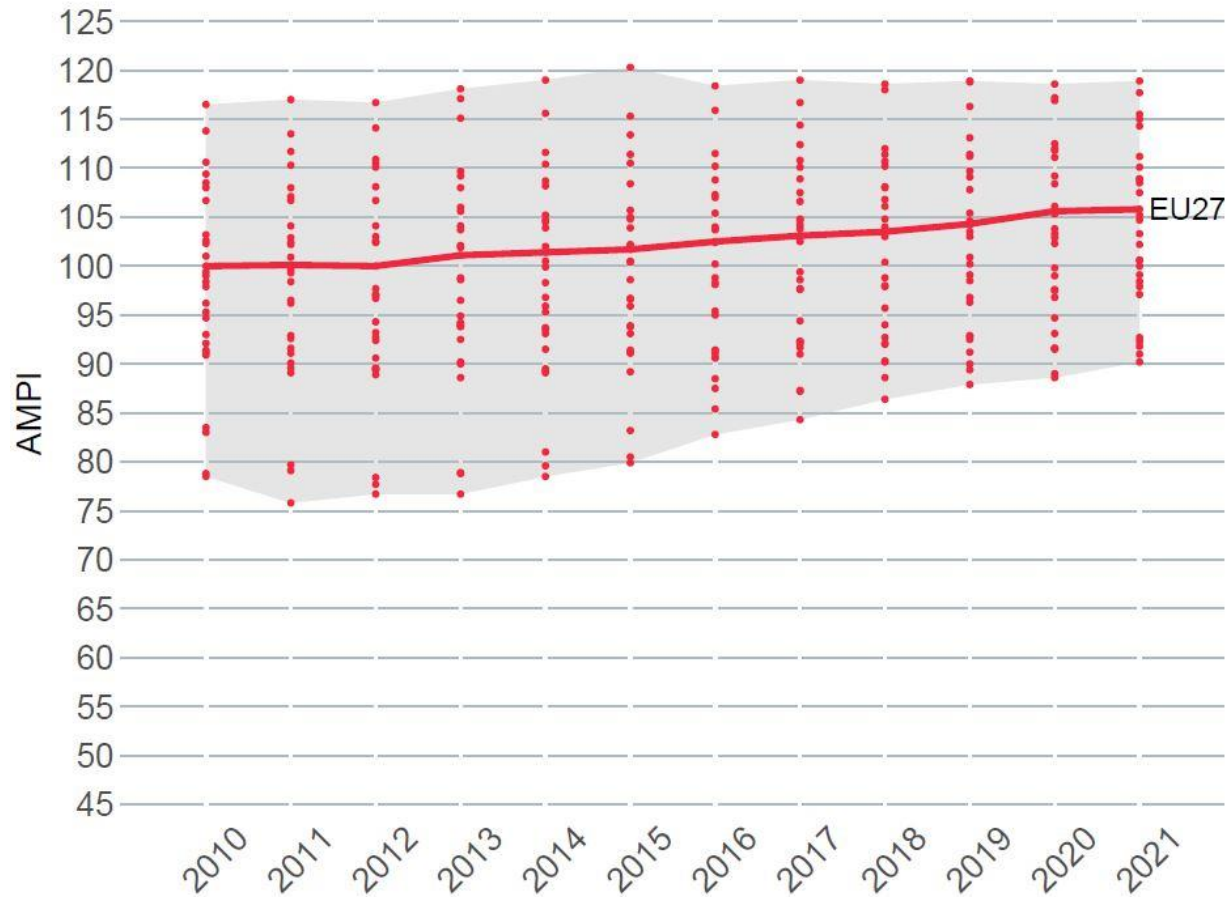
Less performing countries do better in  
productivity gains but worse in other indicators.

Declining collective coverage in last 2 years  
(losing gains in the previous years).





# EU\_SDG 8 WORKERS' VULNERABILITY



Statistical series to be well analysed because dramatic change in worked hours and work organisation during and post covid.

Top 5 countries = 36.4 million

Bottom 5 = 97.9 million

Higher performance: Good performance on adult participation in learning, but increase in involuntary part-time. Changes in the use of precarious working contracts.

Low performing countries loose ground especially because of NEETs, involuntary part-time, adult participation in learning



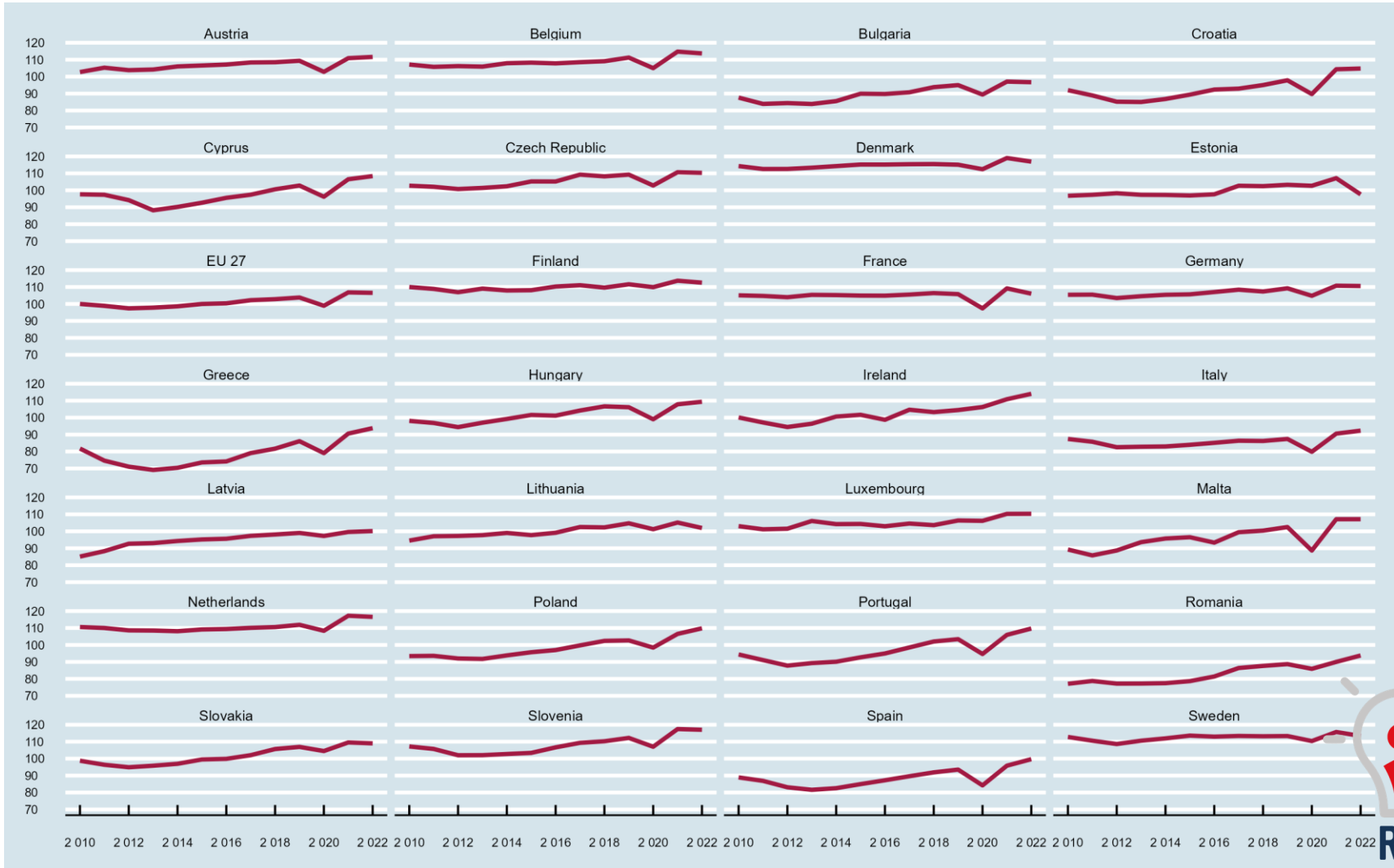
# EU\_SDG8 I – correlation with Green Deal indicators

*Tab 3 - Results of the panel regressions*

Analysis	Coefficient	Probability
Drivers: Share of fossil fuels in gross available energy vs SDG8 composite	-0.356	0.00000000
Drivers: Final energy consumption in households per capita vs SDG8 composite	0.645	0.27458254
Driver: Domestic material consumption per capita vs SDG8 composite	0.139	0.00000000
Emissions: Greenhouse gas emissions per capita vs SDG8 composite	-0.035	0.01565304
Impacts: Water exploitation index vs SDG8 composite	-0.029	0.67653026
Impacts: Years of life lost due to PM2.5 exposure vs SDG8 composite	-19.420	0.00000000
Mitigation: Share of energy from renewable sources vs SDG8 composite	0.366	0.00000000
Mitigation: Net greenhouse gas emissions of the land use vs SDG8 composite	0.030	0.00256426
Adaptation: Total water productivity vs SDG8 composite	3.313	0.00000000

# UPDATE EU\_SDG8 index - 2022

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# SDG8 subcomposites and EU\_SDG8 i between 2022 and 2021

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