

HALFWAY TO 2030: A TRADE UNION TAKE ON THE EU AND THE SDGs



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This publication reflects the findings of the research conducted by the Italian Alliance for Sustainable Development (AVSiS)

This publication is available online:
<https://www.ituc-csi.org/halfway-to-2030-a-trade-union-take-on-the-eu-and-the-sdgs>

D/2023/11.962/1



This publication was funded/co-funded by the European Union. Its contents are the sole responsibility of the International Trade Union Confederation (ITUC) and do not necessarily reflect the views of the European Union.

1. Alignment of selected EU policies with the SDGs, using an SDG 8-centred approach

1.1 The European Pillar of Social Rights and Action Plan as the EU policy framework to implement Goal 8 and others related goals of the 2030 Agenda

The EU policy framework to implement Goal 8 of the 2030 Agenda and related social goals is the European Pillar of Social Rights and the related Action Plan of March 2021¹ adopted by EU leaders in the Porto Social Summit on 8 May 2021. The Pillar Action Plan has set targets for 2030 temporally aligned with the 2030 Agenda.

The 20 principles of the European Pillar of Social Rights are consistent with the various goals and targets of the UN's 2030 Agenda. Beyond Goal 8, related to fair working conditions, it also covers Goal 4 on education, training and life-long learning, Goal 5 on gender equality, and other principles related to others goals such as SDG1, SDG 3, SDG 10, SDG 6, SDG 7 and SDG 9.

As the 17 goals of the 2030 Agenda are declared integrated and indivisible, so are the 20 principles of the European Pillar of Social Rights. The Joint Employment Report² (JER) annually adopted by the Council and the Commission within the framework of Article 148 of the Treaty on the Functioning of the European Union (TFEU), shows the interlinkages of employment policies with other social and economic initiatives under the Social Rights Pillar for equal opportunities, social protection and inclusion.

The Pillar Action Plan is the tool that transforms the principles into targets. The JER monitors the employment situation in the Union and the implementation of EU Employment Guidelines, and represent the basis on which the Council makes recommendations to Member States on employment through the European Semester cycle.

Meanwhile, since 2020, the EU Semester cycle has analysed the performance of Member States through Eurostat's SDG monitoring system. A monitoring system for the Pillar Action Plan was also adopted in 2021.

The analysis in the 2023 JER is supported by the Social Scoreboard³, adopted as part of the Pillar Action Plan of March 2021 and endorsed by EPSCO⁴ in June 2021.

The EU SDG indicator set includes most of the headline indicators from the Social scoreboards. Efforts to align the two sets of indicators are under way⁵.

1 European Commission, The European Pillar of Social Rights Action Plan, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, March 2021., https://eur-lex.europa.eu/resource.html?uri=cellar:b7c08d86-7cd5-11eb-9ac9-01aa75ed71a1.0001.02/DOC_1&format=PDF

2 European Commission, Joint Employment Report 2023. March 2023. <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8541&furtherPubs=yes>

3 European Commission, Social scoreboard. June 2023. <https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/scoreboard>

4 Council of the European Union, Employment, Social Policy, Health and Consumer Affairs Council configuration. <https://www.consilium.europa.eu/en/council-eu/configurations/epsco/>

5 Eurostat, EU SDG Indicator set 2023. Final versions, January 2023. <https://ec.europa.eu/eurostat/documents/276524/15877045/EU-SDG-indicators-2023.pdf/31e0dfe2-253b-73b7-fb72-408c7208cb85?t=1673438075710>

The three 2030 EU headline targets of the Pillar Action Plan are:

1. At least 78 per cent of the population aged 20 to 64 should be in employment by 2030; the gender employment gap should be at least halved compared to 2019, and NEETs reduced from 12.6 per cent (2019 data) to 9 per cent.
2. At least 60 per cent of all adults should participate in training every year.
3. The number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030, including at least 5 million children.

Target 1 of the Pillar Action Plan and Target 8.5 of the 2030 Agenda

Target 1 of the Pillar Action Plan is linked to Target 8.5 of the 2030 Agenda that calls for achieving full and productive employment and decent work for all women and men, by 2030, including for young people and persons with disabilities, and equal pay for work of equal value. This is in line with article 3 of the EU Treaty, specifically with the goals of aiming at full employment and of combatting social exclusion and discrimination, promoting social justice and protection, and equality between women and men.

Target 1 of the Pillar Action Plan is related to employment. However, employment alone is not exactly in line with target 8.5 of SDG 8 which is actually about achieving decent work. At the same time, the selected Eurostat indicator in the Social Scoreboard for Target 1 of the Pillar Action Plan is not related to decent work according to the ILO definition⁶. Decent work implies fair income, dignity, equality, safe working conditions, while Target 1 of the Pillar Action Plan and the related indicator also includes workers in poverty. Consider that according to the JER in the second quarter of 2022, the 74.8 per cent employment rate in the EU also includes 12 per cent of people at risk of inwork poverty. The in-work poverty rate is growing due to inflation.

The main policy tool adopted to fulfil at least part of the premises of decent work at EU level is a proposed directive on adequate minimum wages⁷ with the aim of achieving decent working and living conditions, social cohesion and upward convergence and the proposal for a Directive on improving working conditions in platform work⁸ and Guidelines on the application of Union competition law to collective agreements regarding the working conditions of solo self-employed persons⁹.

A cross-cutting objective in the new EU Strategic Framework on Health and Safety at Work 2021-2027¹⁰ is to anticipate and manage change in the new world of work brought about by the green, digital and demographic transitions.

The gender perspective of Target 1 of the Pillar Action Plan

Target 1 of the Pillar Action Plan includes a gender equality target to at least halve the gender employment gap compared to 2019, and a supportive measure (not quantified) to increase the provision of formal early childhood education and care (ECEC), thus contributing to better reconciliation between professional and private life and supporting stronger female labour market participation.

⁶ Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. (See ILO's Decent Work Agenda at <https://www.ilo.org/global/topics/decent-work/lang-en/index.htm>)

⁷ European Commission, Proposal for a Directive of the European Parliament and of the Council on Adequate Minimum Wages in the European Union, October 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=COM:2020:682:FIN&qid=1604155706405&from=EN>

⁸ European Commission, Proposal for a Directive of the European Parliament and of the Council on Improving Working Conditions in Platform Work, December 2021. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0762&qid=1639213674362>

⁹ European Commission, Antitrust: Commission adopts Guidelines on collective agreements by solo self-employed people. Press release. September 2022 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022XC0930%2B02%29>

¹⁰ European Commission, EU strategic framework on health and safety at work 2021-2027 Occupational safety and health in a changing world of work. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, March 2021. <https://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:52021DC0323&from=EN>

The gender equality sub-target also contributes to Target 5.5. of the 2030 Agenda about ensuring women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.

Under the EU Gender Equality Strategy 2020-2025¹¹, other policy tools adopted at EU level linking Goal 5 and Goal 8 include the proposal of the Directive on pay transparency measures to strengthen the application of principles of equal pay for equal work¹², the Directive on gender balance in corporate boards¹³ and the European Care Strategy¹⁴.

The NEET sub-target within Target 1 of the Pillar Action Plan and Target 8.6 of the 2030 Agenda

Target 1 seeks to decrease the rate of young people neither in employment, nor in education or training (NEETs) aged 15-29 from 12.6 per cent (2019) to 9 per cent, namely by improving their employment prospects. This target covers the same issue as Target 8.6 of the 2030 Agenda, which aims at substantially reduce the proportion of youth not in employment, education or training by 2020.

The year 2020 is now behind us, but the Social Scoreboard indicator for NEETs matches both the evaluation of the Pillar Action Plan and that of the 2030 Agenda.

The main policy tool adopted on the issue is the Council Recommendation of October 2020 for a reinforced youth guarantee¹⁵, as part of the Youth Employment Support package¹⁶.

Target 1 and inequalities

Target 1 sets out that other under-represented groups – e.g. older people, low-skilled people, persons with disabilities, those living in rural and remote areas, LGBTIQ people, Roma people and other ethnic or racial minorities particularly at risk of exclusion or discrimination as well as those with a migrant background – participate in the labour market to the maximum of their capacity.

According to the principle of inclusion partly represented in Target 8.5 and to tackle inequalities as enshrined in Goal 10 of the 2030 Agenda, the JER also further incorporates the objectives of the Union of Equality strategies¹⁷ and covers the challenges faced by groups affected by inequalities.

We recognise the importance of the Union of Equality strategies and the adoption of the Communication on better assessing the distributional impact of Member States' policies (DIAs)¹⁸ as a strategic policy tool that offers recommendation to Member States. However,

11 European Commission, European Union gender equality strategy 2020-2025. May 2022. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0152>

12 European Commission, Proposal for a Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, March 2021. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0093>

13 European Commission, Directive (EU) 2022/2381 of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures (Text with EEA relevance), November 2022. <https://eur-lex.europa.eu/eli/dir/2022/2381/oj>

14 European Commission. European Care Strategy for Carers and Care Receivers. September 2022. <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10382#navItem-relatedDocuments>

15 Council of the European Union. Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee 2020/C 372/01 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC%3A2020%3A372%3AFULL>

16 European Commission, Youth Employment Support: a Bridge to Jobs for the Next Generation. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, July 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1594047420340&uri=CELEX:52020DC0276>

17 The Gender Equality Strategy 2020-2025, the EU Anti-racism Action Plan 2020-2025, the EU Roma strategic framework for equality, inclusion and participation for 2020-2030, the LGBTIQ Equality Strategy, and the Strategy for the Rights of Persons with Disabilities 2021-2030.

18 European Commission. Better assessing the distributional impact of Member States' policies. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, September 2022 <https://lop.europa.eu/en/publication-detail/-/publication/831aab2e-408e-11ed-92ed-01aa75ed71a1/language-en>

there is actually no specific strategic policy tool to strictly link Target 10.1 of the 2030 Agenda about progressively achieving and sustaining income growth of the bottom 40 per cent of the population at a rate higher than the national average by 2030, and Target 10.2 on, also by 2030, empowering and promoting the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status with Goal 8.

Target 2 of the Pillar Action Plan and Target 4.4 of the 2030 Agenda

Target 2 of the Pillar Action Plan sustains the accomplishment of Target 1. In the context of the recovery and the twin transitions (green and digital), increasing adult participation in training to at least 60 per cent every year is considered paramount to improve employability, boost innovation, ensure social fairness and close the digital skills gap. In 2016, only 37.4 per cent of adults took part in learning activities every year. For low-qualified adults, this rate was only 18 per cent.

As part of the target, we find the following sub-target:

- At least 80 per cent of those aged 16-74 should have basic digital skills, a precondition for inclusion and participation in the labour market and society in a digitally transformed Europe.
- Early school leaving should be further reduced and participation in upper secondary education increased.

Target 4.4 of the 2030 Agenda sets out that by 2030, the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship should have substantially increased.

When focusing on the skills needed for the Green Transition, Target 1 of the Pillar Action Plan is also consistent with Target 4.7 of the 2030 Agenda, which underlines the need of ensuring that all learners acquire the knowledge and skills needed to promote sustainable development by 2030, including, among others, through education for sustainable development [...].

All these targets build on those set out in the European Skills Agenda¹⁹, the Council Recommendation on vocational education and training²⁰, the Council Resolution on the European Education Area²¹, the Council Recommendation on individual learning accounts²² and the Council Recommendation on learning for the green transition and sustainable development²³. More specifically, the Council Recommendation on a European approach to micro-credentials for lifelong learning and employability²⁴ of 16 June 2022 seeks to ensure the quality, recognition and understanding of micro-credentials that are increasingly being used across education, training and labour market systems.

19 European Commission, European Skills Agenda for sustainable competitiveness, social fairness and resilience. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, July 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020H1202%2801%29>

20 Council of the European Union. Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience 2020/C 417/01. November 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020H1202%2801%29>

21 Council of the European Union, Council Resolution on a strategic framework for European cooperation in education and training towards the European Education Area and beyond (2021-2030). February 2021. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=uriserv:OJ.C_2021.066.01.0001.01.ENG

22 European Commission. Proposal for a Council Recommendation on individual learning accounts. December 2021. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0773>

23 Council of the European Union. Council adopts recommendation to stimulate learning for the green transition and sustainable development. Press release. June 2022. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022H0627%2801%29>

24 Council of the European Union, Council Recommendation on a European approach to micro-credentials for life-long learning and employability 2022/C 243/02. June 2022. [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022H0627\(02\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022H0627(02))

It seems that a quantitative target for training has been set. This represents a quantitative orientation, but we do not know to what extent it is appropriate. The more difficult “adequacy of quality in training” is not considered through measurable targets. It would be useful to have national employment plans that include plans for training, up-skilling and re-skilling, to prevent and correct employment-skills mismatches, identifying support measures for the most vulnerable social groups, the means of implementation and financing facilities. The plans must be defined within the framework of a diffused social dialogue, integrating the main national strategies for climate and environmental goals, industry and digital transformation, social care needs and demographic forecasts.

Target 3 of the Pillar Action Plan and Goal 1 of the 2030 Agenda

Target 3 envisages that the number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030, including at least 5 million children.

The target ambition is much more modest than required by Goal 1 of the 2030 Agenda. It follows that the policies for achieving the target are also likely to be inadequate to achieve Goal 1.

We appreciate that in the Proposal for a Council Recommendation on adequate minimum income ensuring active inclusion²⁵, and also in the last Council Decision of 21 November 2022 on guidelines for the employment policies of the Member States²⁶ (Guideline 8), a strict link is made between policies for social safety nets - fighting poverty and employment policies.

However, it would be more effective to have a target that strongly combines both purposes (fighting poverty and employment), as can be represented by decent work according to Target 8.5 of the 2030 Agenda. Target 1 of the Pillar Action Plan is not well formulated to this end, as we have explained previously.

The JER extensively explains the connection between poverty reduction and employment policies, and raises questions regarding the critical issues of high energy prices, the cost of essential goods such as food, and inflationary phenomena that lead to increased poverty and in-work poverty. The JER also calls for the adjustment of purchasing power to inflation as an indication of principle.

However, robust and coordinated policy mechanisms to help protect workers' purchasing power against inflation have not yet been devised and are not on the political agenda. Thus, adequate policies to reduce poverty and guarantee decent work at EU level, to protect workers from the risk of becoming working poor or losing their job because of an economic downturn, have not yet been defined.

²⁵ European Parliament. Proposal for a Council recommendation on adequate minimum income. Briefing. December 2022. [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)739255](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)739255)

²⁶ Council of the European Union, Council Decision (EU) 2022/2296 on guidelines for the employment policies of the Member States. November 2021. <https://eur-lex.europa.eu/eli/dec/2022/2296/oj>

1.2 Goal 8 and the EU response to Covid-19 and the Russia-Ukraine war: SURE, RRF, RE-PowerEU

On the path to 2030, the Covid-19 pandemic and then Russia's aggression in Ukraine have led to the worst social and economic crises since the Second World War. The EU has adopted specific policy programmes to protect employment and relaunch the economic recovery following the effects of the pandemic, as well as measures to combat the uncontrolled increase in energy prices. All measures adopted are in principle aligned to the goals of the 2030 Agenda. In the following paragraphs, we will try to assess the effectiveness of the programmes adopted, with a special focus on the achievement of Goal 8.

SURE - EU support to mitigate unemployment risks in an emergency

As part of the EU's initial response to the pandemic, the SURE programme was adopted by the Council on 19 May 2020²⁷. With a size of €100 billion, the financial tool helped Member States to protect jobs and workers' incomes in the context of the Covid-19 pandemic. All Member States agreed to provide bilateral guarantees to the EU so that the Union could borrow from the markets at very favourable conditions to finance SURE loans.

According to the fourth European Commission report²⁸, SURE covered around 31.5 million people and 2.5 million firms in 2020, when the pandemic broke out. This represented almost one third of total employment and of total firms in beneficiary Member States. SMEs were the primary recipients of SURE financial assistance. The most supported sectors were contact-intensive services (accommodation and food services, wholesale and retail trade), and manufacturing. Total public expenditure on SURE-eligible measures is now expected to reach €119 billion in beneficiary Member States. This is well in excess of the total financial assistance granted (€93 billion), since a few Member States have supplemented SURE financing on eligible measures with national funding. The large oversubscription of the issued bond illustrates investors' confidence in the financing capacity of the EU and in the robustness of the SURE programme.

Although limited in its scope and time, SURE is a positive example of how solidarity between states with the adoption of a common financial tool can help protect employment in a time of extraordinary crisis, stem the spread of an out-of-control social crisis, and help lay the foundations for a subsequent more rapid economic recovery.

Coupled with the general escape clause of the Stability and Growth Pact²⁹, it demonstrates how policies to reduce spending on social protection, as adopted during the previous financial crisis, are economically counterproductive.

In numbers, the EU policy and Member States' response were only able to cover part of the job losses during the Covid-19 disruption. According to the above-mentioned report on SURE, the policy response to the Covid-19 crisis – including SURE – effectively prevented a round 1 million people from losing their jobs in 2020. As was reported by Eurofound³⁰, in the second quarter of 2020, 5.7 million fewer people were in employment than in the fourth quarter of 2019.

28 Council of the European Union, Council Regulation (EU) 2020/672 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak. May 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32020R0672>

29 European Commission. Fourth report on the implementation of SURE. September 2022. https://commission.europa.eu/strategy-and-policy/eu-budget/eu-borrower-investor-relations/sure_en#sure-reporting

30 European Parliament. The 'general escape clause' within the Stability and Growth Pact: Fiscal flexibility for severe economic shocks. Brief. March 2020. [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2020\)649351](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2020)649351)

However, as it was designed in a time of emergency, SURE does not cover all dimensions of sustainability, and Member States were not asked to report on how measures financed under SURE were aligned with the 2030 Agenda. For instance, it is not clear how and if measures financed under SURE could potentially harm some of the EPSR principles such as gender equality, access to work for people with disabilities or access to fundamental services. Instruments like SURE should be better aligned with EU objectives in terms of their sustainability and social dimension, as defined by the SDGs, and the EPSR Action Plan, including the Headline Targets on employment, education/training and poverty, which were agreed in Porto. This is even more justified if the EU gathers resources from the financial markets by issuing social bonds.

RRF – the Recovery and Resilience Facility within the NextGenerationEU package

The main financial programme within the NextGenerationEU package of € 750 billion of common debt shared among the 27 Member States is the Recovery and Resilience Facility of €672.5 billion. Under the EU Regulation finally adopted on 12 February 2021, the facility promotes the economic, social and territorial cohesion of the European Union by improving the resilience, crisis preparedness, adjustment capacity and growth potential of the Member States, by mitigating the social and economic impact of that crisis, in particular on women, by contributing to the implementation of the European Pillar of Social Rights, by supporting the green transition, by contributing to the achievement of the Union's 2030 climate targets. The UN Sustainable Development Goals are recalled in the premises. The same guiding EU policies recalled in the RRF, such as the EU Green Deal, the Pillar of Social Rights and the EU Semester Mechanism, are all in principle SDG-consistent.

Goal 8 policies are transversal to all six policy pillars that summarise the scope of the RRF (as indicated in article 3 of the RRF Regulation).

Article 18 of the RRF Regulation sets out how to draw up national Recovery and Resilience Plans (RRPs) to receive funding. It specifically requires at point (q) that the Plan shall in particular plan “for the preparation and, where available, for the implementation of the recovery and resilience plan, a summary of the consultation process, conducted in accordance with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the recovery and resilience plan”³¹.

The recovery and resilience Scoreboard³² (established under article 30 of the RRF Regulation) displays the progress of the implementation of the recovery and resilience plans of the Member States and includes 14 common indicators across all six policy pillars. The following indicators are strictly linked to Goal 8 and the Pillar Action Plan:

- Common indicator 10: number of participants in education or training.
- Common indicator 11: number of people in employment or engaged in job searching activities.
- Common indicator 14: number of young people aged 15-29 receiving support.

31 Eur-Lex. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. February 2021 <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32021R0241>

32 European Commission, Recovery and Resilience Scoreboard. Common Indicators. https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/common_indicators.html?lang=en

We would highlight that indicators for gender equality and social inclusion are not represented in the Scoreboard³³.

According to the analysis expressed in the opinion of the European Economic and Social Committee (EESC) adopted on the role of Civil Society Organisations as guardians of the common good in the post-pandemic recovery and reconstruction of EU societies and economies³⁴, which was adopted on 3 May 2022, despite the reference to civil society engagement in the RRF Regulation, civil society was ironically not involved in defining the actual part of the Regulation regarding the involvement of civil society in the process. In practice, despite the guidance from the EC, the reality is that national Civil Societies Organisations (CSOs) had great difficulty in influencing the outcomes of the National Recovery and Resilience Plans (NRRPs).

The analysis of the EESC showed that one major obstacle for CSO participation was the seeming unwillingness of some national governments to include civil society in the drafting of their plans, requiring many CSOs to openly appeal to national authorities to let them be involved. Even when they were involved, the time reserved for civil society consultation was largely insufficient. This hindered substantive debate and consideration of civil society's input regarding the NRRPs. The result is that, while a large number of Member States have shown proof of some form of civil society consultation, all too often national civil society was not truly involved in shaping the resulting plans.

In its Opinion of 1 December 2021 on the Implementation of the Recovery and Resilience Facility the Committee of the Regions (CoR) confirms the same issue. Quoting different studies, the CoR underlines that Local and Regional Authorities (LRAs) "have been insufficiently involved in the preparation process of national recovery and resilience plans, and that the extent to which LRA input into the plans has been incorporated in most cases cannot be ascertained."³⁵,

At the end of February 2022, the European Trade Union Confederation (ETUC) ran a survey among its members³⁶, identifying and ranking the most urgent priorities for investment and social progress that, in their opinion, NRRPs should finance. It transpires that there is a substantial mismatch between trade union proposals and current NRRPs due to a lack of involvement in the design phase of the NRRPs and the low relevance, visibility or quantification of social objectives in them.

Integration of the Recovery and Resilience Plans (RRPs) with REPowerEU

The last annual report of the RRF issued on 21 February 2023³⁷ paves the way to integrate the Re-PowerEU plan in the RRFs. In the report, the European Commission stressed the opportunity to take into account the experience gained during the first years of RRF implementation and to ensure that relevant stakeholders, with a particular focus on local and regional authorities and social partners remain closely involved in the implementation of the RRF in a timely and meaningful way.

33 The Delegated Regulation (EU) 2021/2105 of 28 September 2021 defines a methodology for reporting social expenditure that does not integrate the RRF Scoreboard https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2021.429.01.0079.01.ENG

34 European Economic and Social Committee. The role of Civil Society Organisations as guardians of the common good in the post-pandemic recovery and reconstruction of EU societies and economies. May 2022. <https://www.eesc.europa.eu/it/our-work/opinions-information-reports/opinions/role-civil-society-organisations-guardians-common-good-post-pandemic-recovery-and-reconstruction-eu-societies-and>

35 European Committee of the Regions. Opinion on the Implementation of the Recovery and Resilience Facility. February 2022. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52021AR3682>

36 ETUC. A People's Recovery. Review Report on the Implementation of the RRF. June 2022. <https://est.etuc.org/wp-content/uploads/2022/06/Inpu-for-ETUC-RRF-implementation-report.pdf>

37 European Commission. Recovery and Resilience Facility: Two years on – A unique instrument at the heart of the EU's green and digital transformation. Communication to the European Parliament and the Council. February 2023. https://commission.europa.eu/system/files/2023-02/COM_2023_99_1_EN.pdf



On 1 February 2023, the European Commission issued the Guidance on Recovery and Resilience Plans within the context of REPowerEU³⁸. While respecting the general framework of RRF Regulation as modified by REPowerEU, the guidance stressed that it will be important to have a broad consultation outreach, including in particular the stakeholders with the relevant expertise on REPowerEU matters.

From the perspective of Goal 8, the most relevant new opportunities relate to tackling energy poverty and accelerating the requalification of the workforce towards green skills and the related digital skills, as well as supporting the value chains in critical raw materials and technologies linked to the green transition. Tackling energy poverty can also reduce the risk of in-work poverty, so it can couple social safety nets with a decent work target.

Meanwhile, accelerating up-skilling and re-skilling can correct the mismatch between workforce supply and demand. This is the crucial problem of RRFs, where we have more funds at our disposal than the ability of the workforce to design, manage and implement the investments needed and already planned. This phenomenon is harming the recovery, the need to speed-up the green and digital transition goals, and the Social Pillar Action Plan channeling funds through decent work creation.

There should be a new phase in the RRF covering the implementation of NRRPs, the alignment of their contents to REPowerEU and additional measures aimed at preserving investment levels in light of soaring inflation. From the ETUC perspective, the RRF should contribute to achieving the Porto targets, and NRRPs should reflect the contribution of national components to achieving national targets for employment, training/education and the fight against poverty.

Currently, only 28 per cent of investments activated with the RRF are considered to have a social impact in areas such as social policies, employment and skills, health and long-term care, education and childcare. One of the elements that discourages social-oriented investments is that they should be supported with the financing of staff and current expenditure that put such investments into operation. Government expenditure is capped by economic governance rules.

This perspective is interlinked with the reform of the European Union's economic governance framework. While the proposals advanced by the European Commission are being discussed by decisionmakers, it emerges that the new framework should be better aligned to the SDGs. Learning from the lessons of the recent past – such as the capacity to provide support to employment policies and investments through EU-financed resources – is crucial and gives us more chance to balance and create convergence among all dimensions of sustainability in EU-financed policies. If economic governance is not SDG-responsive, we will enter into a situation of unsolved trade-offs and the continued need to compromise between different EU objectives and all relevant dimensions of sustainability.

³⁸ European Commission. Guidance on Recovery and Resilience Plans in the Context of REPowerEU. Draft Commission Notice. Annex. February 2023. https://commission.europa.eu/system/files/2023-02/C_2023_876_1_annexe_EN_0.pdf

2 - Progress analysis of SDG 8 in the EU

2.1 Introduction

The crises to which Europe has been subjected in recent years, including the pandemic and war, have tested the Union's ability to come up with coordinated and effective policies. The 2030 Agenda, as evidenced in Part A of this report, has been a beacon for responding to these crises during this period.

Within the 2030 Agenda, SDG 8 has the ambition to promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all. This study presents an innovative approach to synthetically monitor several dimensions of Goal 8, providing evidence on the progress towards the achievement of decent work in European countries, and on the increase or decrease in inequality among European countries.

The empirical approach has been developed considering the multidimensional nature of SDG 8, isolating different homogenous aspects connected to economic performance, labour market output and outcomes. The identification of three specific sub-domains of SDG 8 (Economic well-being, Labour market efficiency, Employment vulnerability) allows us to isolate the main dynamics related to the decent work dimension. These three sub-composite indicators are used to estimate a composite index for Goal 8, with the aim of providing a quick and concise monitoring of this goal for European countries as presented in the ASviS-ETUC Report³⁹.

An innovative analysis has also been developed in this study, making it possible to evaluate whether Europe's worst and best performers have converged at composite index level over the course of the historical series. The Top5 – Bottom5 indicator is calculated as the difference between the average of the values of the AMPI index (both the SDG 8 Index and sub-domains) recorded by the 20 per cent of the states with the worst performances and the average recorded by the 20 per cent of the states with the best performances. A lower Top5 – Bottom5 indicator results in less disparity in the composite index level; a higher Top5 – Bottom5 indicator implies greater inequality. If measured for SDG 8 and its components, it makes it possible to assess whether, over the course of the historical series, EU Member States are moving in the same direction and whether they are smoothing out territorial differences or vice versa.

In the following pages, we present the graphs of the various composite indices with the time series from 2010 to 2021. Each graph shows the values of the composite index calculated for the 27 EU Member States (EU27) and for the EU27 aggregate. The solid line represents the time series of the EU27 aggregate, while the dots are the annual data for each country. In addition, to delimit the range of dispersion for the observations, a grey band is proposed for each SDG, whose upper and lower limits are determined by the historical values of the best and the worst performer. To take into account the characteristics of the period analysed (2010-2021), this is divided into two: 2010-2019 (the period before the pandemic years) and 2019-2021 (the pandemic years).

³⁹ European Trade Union Confederation. EU SDG 8 Index – Methodology, February 2021. <https://est.eturc.org/?p=123>

In addition, for each SDG, a table presents the standard deviation of all composites, the EU27 aggregate composite, the mean composite of the five best performers (Top 5), the mean composite of the five worst performers (Bottom 5) and the Top 5-Bottom 5 indicator observed in 2010 and 2021. The variation of the values in the reference period is presented within the same table.

After the table, we discussed for each goal how the level of inequality between the territories is evolving and whether or not the process of convergence between states is in progress.

2.2 A general view and three sub-dimensions

As described in the ASviS-ETUC Report, SDG 8 and all the related dimensions are analysed through 24 elementary indicators, the list of which is shown for each sub-composite indicator. The main composite indicator is divided into three main sub-domains to better understand the multidimensional nature of SDG 8:

- 1) Economic well-being: includes indicators related to economic performance and living standards, such as percapita growth, financial services inequality, poverty.
- 2) Employment quality: includes indicators related to labour market output, such as employment and unemployment rate, labour productivity, income share.
- 3) Labour vulnerability: includes indicators related to labour market outcomes, such as fatal injuries, the number of NEETs, time-related unemployment rate and vulnerable employment.

Three composite indicators have been developed to monitor the level of achievement of the three dimensions for EU countries.

2.3 The main composite indicator on SDG 8

General performance

Before analysing the differences in the behaviour of member countries, it is useful to assess the trend of the EU27 mean (Diagram 1). The composite index shows an improvement in the situation of 6.5 points between 2010 and 2021. An initial closer look tells us that over the period 2010-2019, there was an improvement of only 3.5 points, reporting an overall static situation. It is interesting to point out what happened in the following years, when the pandemic had the most impact (2020) and the first post-pandemic year (2021). Note, however, that for a more robust assessment of the effects of Covid-19 and the related policies put in place, it is necessary to evaluate what will happen in at least the next two to three years.

With necessary caution, one thing appears to be worth noting: the evident worsening in 2020 is matched by a strong recovery in 2021 (in part related to the policies that the EU and Member States put in place). The strong recovery in 2021 took the index to an even higher value than in 2019. While in the first nine years (2010-2019), there was an improvement of only 3.5 points (i.e., an average annual increase of minus 0.4 points), between 2019 and 2021, there was an improvement of 3.1 points (over 1.5 points annually).

Diagram 1

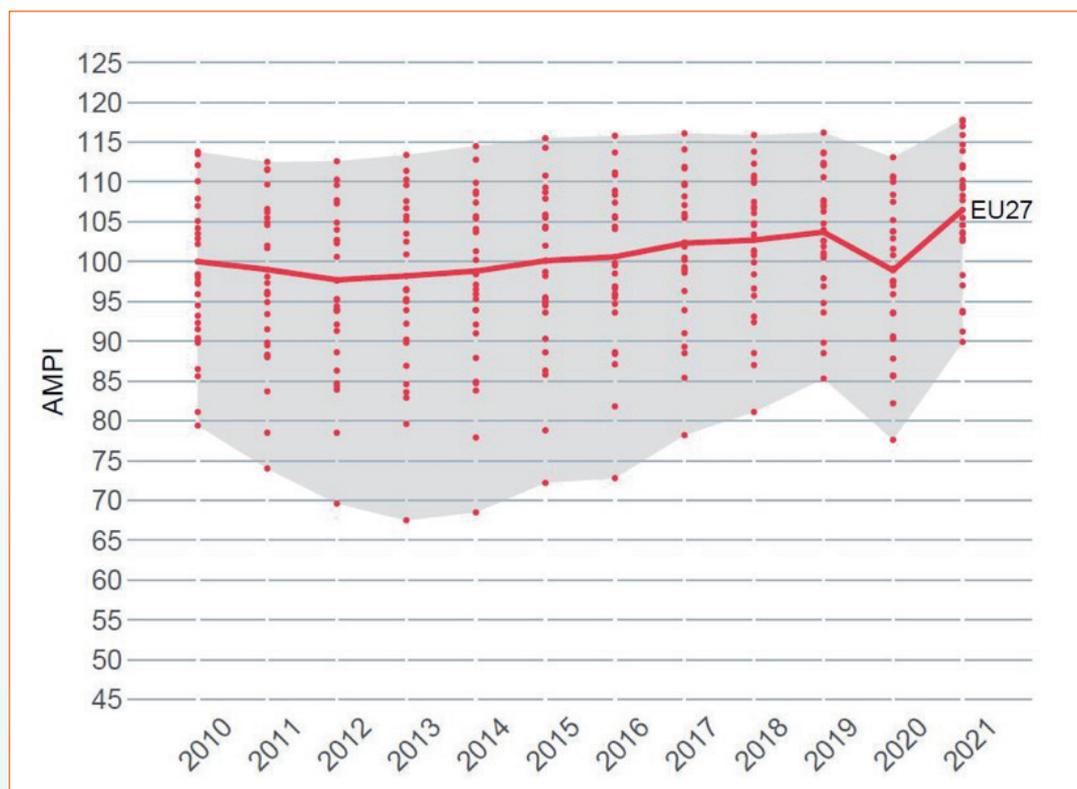


Chart 1

GENERAL INDEX	Standard deviation	EU 27 AMPI	TOP 5 AMPI	BOTTOM 5 AMPI	TOP 5 - BOTTOM 5
2010	9.3	100.0	111.5	84.5	27.0
2019	7.9	103.7	113.6	90.4	23.2
2021	7.8	106.5	116.6	93.1	23.5
Variation 2021-2010	-1.4	6.5	5.1	8.6	-3.5

Inequalities

Turning to the main feature of this analysis, namely cross-country inequality (Chart 1), there has been a reduction in the gap between the average composite of the five EU states with the best composite values and the five with the worst. Again, it should be noted that the reduction is small, because in the top five countries, the improvement totaled around 5.1 points, while in the last five, the improvement was more than 8.6 points.

We need to split the analysis into the two periods highlighted earlier. Indeed, it should be noted that the convergence measured between the top and bottom countries stops in 2019. In the last two years analysed, the improvements measured by the bottom five are very close to those measured by the top five. The immediate effect of the policies put in place has been a return, or even improvement, to the pre-Covid-19 reality, without, at least in this first year, the differences between countries being affected.

One aspect that this analysis allows us to understand is the weight of individual countries within the European Union. The countries in this analysis were evaluated as equals to each other and their weight is not considered (whether demographic or economic), however we believe that it is useful to take into account the demographic factor, for a more appropriate evaluation of the importance of the different behaviours found. In this regard, we would point out that while the population of the top five states in 2021 is around 47 million (just over 10 per cent of the EU27 population), the population of the bottom five is approximately 143 million (over 32 per cent). Thus, when considering how the gaps between states evolve, it is necessary to take into account that these levels of development affect numbers, in terms of population, that are very different from each other. Those differences are also geographically polarised: those among the countries with higher levels of the composite index are mainly Northern European member countries, while those with lower values are mainly Mediterranean and Eastern European countries.

2.4 Economic well-being

General performance

As far as Economic well-being is concerned, the European composite index shows a negative trend between 2010 and 2012, followed by a positive one between 2013 and 2019 (Diagram 2). In 2020, the first year of the pandemic, there was a drastic deterioration, followed in 2021 by an even sharper improvement that placed the European index at a higher level than in both 2019 (by around 3.5 points) and 2010 (by around 6 points). This again underscores that the policies put in place had significant effects, at least in the short term.

Diagram 2

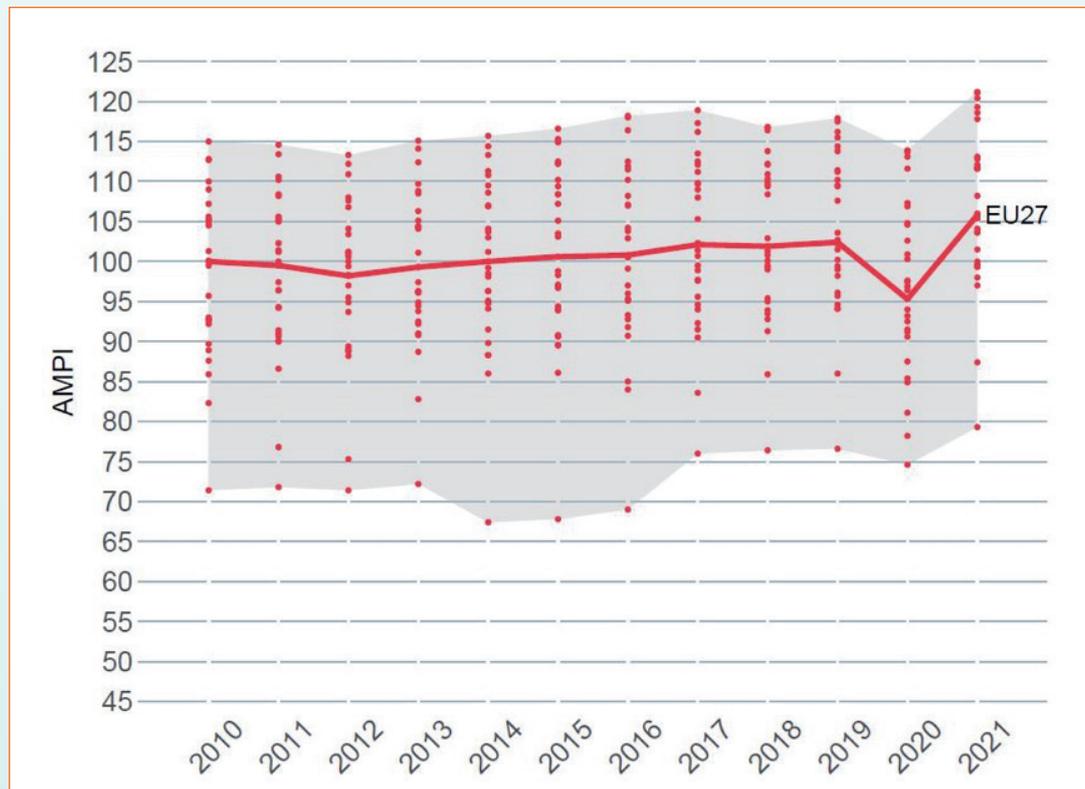


Chart 2

ECONOMIC WELL BEING	Standard deviation	EU 27 AMPI	TOP 5 AMPI	BOTTOM 5 AMPI	TOP 5 - BOTTOM 5
2010	10.1	100.0	111.9	83.2	28.7
2019	9.8	102.4	116.3	89.1	27.3
2021	9.9	105.8	120.1	92.2	27.9
Variation 2021-2010	-0.1	5.8	8.2	9.0	-0.7

Chart 3

Economic Well-Being		
Description	Unit	Polarity
Tertiary educational attainment	% of population 30-34	+
Proportion of small-scale industries in total industry value added	%	+
Real GDP growth rate	Chain linked volumes, % change on previous period	+
Real GDP per capita	Chain linked volumes (2010) euro per capita	+
People at risk of income poverty after social transfers	%	-
Income share of the bottom 40 % of the population	% of income	+
In-work at-risk-of-poverty rate	% of people aged 18-w	-
Positions held by women as board members	% of positions	+

Inequalities

Between 2010 and 2021, the gap between the average of the five best performers and the five worst performers remained broadly unchanged (Chart 2). Both improved with similar intensity from 2010 to 2019 and between 2019 and 2021: in the first nine years, they improved at a higher intensity than the EU27 average, while in the last two years, the improvement is similar to the EU27 average.

As far as the weight of the countries is concerned, while the population of the top five states in 2021⁴⁰ was 45.4 million (10.2 per cent of the EU27 population), the population of the bottom five was 76.7 million⁴¹ (17.2 per cent of the total). Compared with 2010, the percentage of the population belonging to the top five countries remained basically stable (48 million), while that of the worst five countries increased by more than 32.9 million (10 per cent of the EU27 population in 2010).

Regarding the spatial distribution of the five best and worst performers over the time series, Finland, Denmark, the Netherlands, Sweden and Belgium are the states most often occupying the top five positions, while Romania, Bulgaria, Greece, Spain and Italy are those that most often occupy the last five positions. In fact, there is hardly any variation in the composition of the two groups of five countries analysed.

Elementary indicators

The influence analysis on the elementary indicators (Chart 3) relevant to the behaviour of the two sub-groups shows that the top five countries registered an improvement mainly because of positions held by women as board members (2010-2021), the average level of tertiary education attainment and the average GDP per capita.

40 Netherlands, Belgium, Denmark, Ireland, Finland.

41 Estonia, Spain, Latvia, Bulgaria, Romania.

There was no improvement between 2010 and 2021 in average income distribution (the poorest 40 per cent of the population in the top five had similar total income throughout the period and the same happened for the percentage of people at risk of poverty).

Conversely, the bottom five countries mainly improved between 2010 and 2021 in terms of average GDP growth rate and the positions held by women as board members. No improvements were noted for average income distribution, while the average number of people at risk of poverty increased.

There were still wide gaps in 2021 between the top five states and the bottom five with regard to GDP per capita, the in-work at risk of poverty rate and positions held by women as board members, while there is a much smaller gap compared to the past in the average GDP growth rate.

2.5 Employment quality

General performance

The European composite index shows (Diagram 3) a negative trend between 2010 and 2013, followed by a positive trend between 2014 and 2019. In 2020, there was a dramatic deterioration, followed in 2021 by an even sharper improvement that placed the European index at a higher level in 2021 than in either 2019 or 2010.

Diagram 3

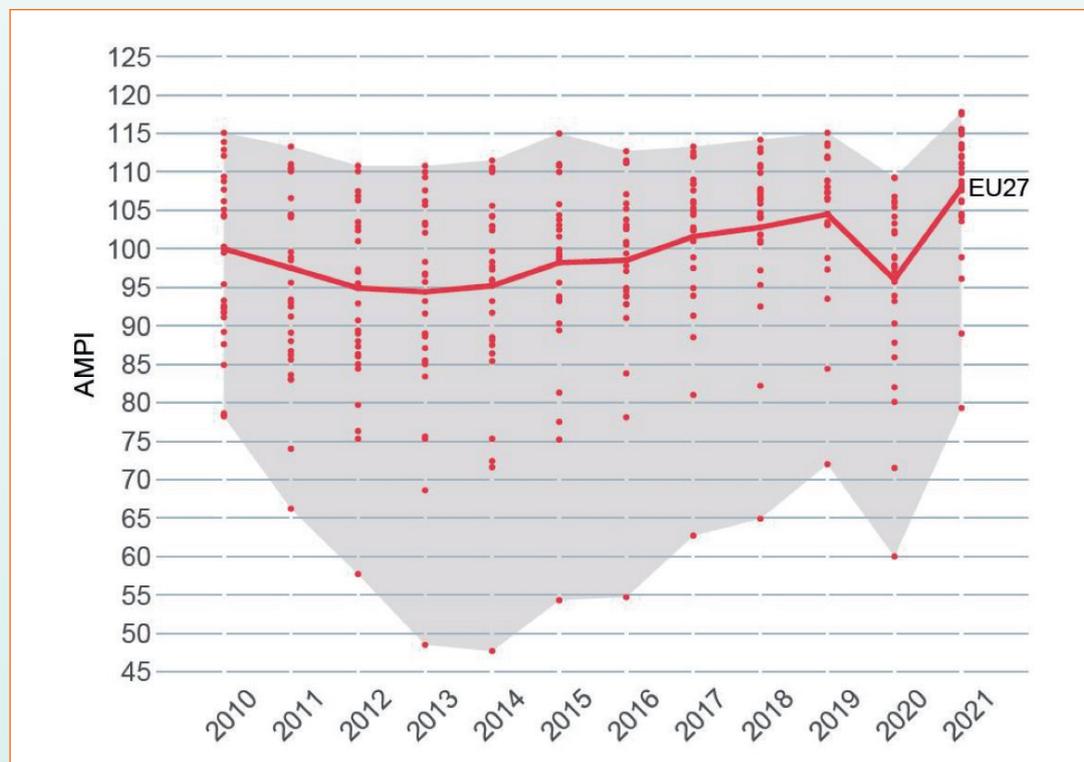


Chart 4

EMPLOYMENT QUALITY	Standard deviation	EU 27 AMPI	TOP 5 AMPI	BOTTOM 5 AMPI	TOP 5 - BOTTOM 5
2010	10.8	100.0	112.7	81.5	31.2
2019	8.9	104.5	113.2	89.2	24.0
2021	8.5	108.0	116.4	93.4	23.0
Variation 2021-2010	-2.3	8.0	3.7	11.8	-8.2

Chart 5

Employment Quality		
Description	Unit	Polarity
Employment rate	% of population 20-64	+
Collective bargain coverage	%	+
Real labour productivity per person employed	% change comparing year Y with year Y-1 and as Index 2010	+
Gender employment gap	Percentage points	-
Long-term unemployment rate	% of active population	-
Labour market slack	%	-
Employment rates of recent graduates	% of population 20-34	+

Inequalities

Between 2010 and 2021, there was a reduction in the gap between the five top-performing states and the five worst performers (Chart 4). The bottom five states recorded a greater improvement compared to the top five, shortening the gaps between the two groups. The five best performers show an overall stable situation between 2010 and 2019, and an improvement between 2019 and 2021. Meanwhile, the five worst performers improved their level both between 2010 and 2019 and between 2019 and 2021.

In terms of population, in 2021, the top five states had 119 million people⁴² (26.6 per cent of the European population), while the bottom five had 146.8 million⁴³ (32.8 per cent of the total). Compared to 2010, the population in the top five was stable, having increased in 11 years by only 1 million, while that of the bottom five countries increased by approximately 27.2 million (in 2010, it was approximately 27 per cent of the EU27 population). The top five positions are most frequently occupied by Germany, Austria, Sweden, Denmark and the Netherlands. The bottom five most frequently contain Italy, Spain, Greece, Croatia and Romania.

Elementary indicators

Looking at the main items that influence the changes (Chart 5), the top five countries chiefly owe their progress between 2010 and 2021 to a reduction in the average gender employment gap. Slight improvements are also reported for labour market slack and the employment rate, while collective bargain coverage lost much of the progress made since 2010 in the last two years.

The bottom five countries recorded improvements in real labour productivity per person employed and the average gender employment gap. Labour market slack and collective

42 Slovenia, Netherland, Sweden, Germany, Denmark.

43 Portugal, Romania, Spain, Italy, Greece.

bargain coverage were also positive. The latter, however, lost much of the progress made since 2010 in the last two years.

Despite the progress made by the bottom five countries in the gender employment gap, they were still a long way from the best performers in 2021: the bottom five registered a value more than double that of the top five. The other indicator to register the largest differences between the two subgroups is the long-term unemployment rate. In contrast, the bottom five countries are far ahead in real labour productivity per person employed.

2.6 Labour vulnerability

General performance

The composite index shows a consistently positive trend over time. Unlike the domains “Economic well-being” and “Employment quality”, “Labour vulnerability” does not seem to have been negatively affected by the first year of the pandemic (Diagram 4). However, in 2020, some indicators registered a decline (people aged 65 and over at risk of poverty or social exclusion, young people neither in employment nor in education and training, and adult participation in learning), while others registered an anomalous improvement (temporary contracts for people aged 20–64 years old and female ratio of inactive population due to caring responsibilities). The improvement shown by the latter two indicators is mainly due to a distorted effect of the pandemic and not because of an actual improvement of the phenomenon. These effects decisively affect the growth trend in the 2020 composite, which shows a distorted trend, especially in the last two years observed.

Diagram 4

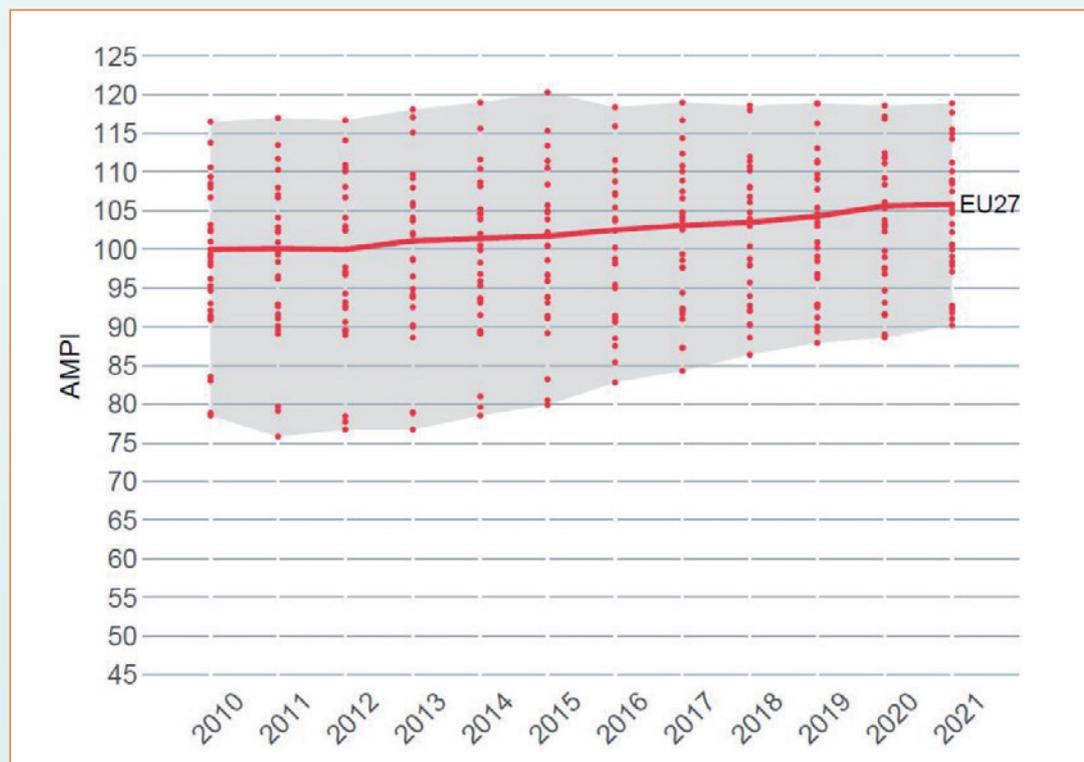


Chart 6

LABOUR VULNERABILITY	Standard deviation	EU 27 AMPI	TOP 5 AMPI	BOTTOM 5 AMPI	TOP 5 - BOTTOM 5
2010	9.7	100.0	111.8	83.0	28.8
2019	8.9	104.3	115.7	90.2	25.5
2021	8.2	105.8	116.3	91.6	24.7
Variation 2021-2010	-1.5	5.8	4.5	8.7	-4.2

Chart 7

Labour Vulnerability		
Description	Unit	Polarity
People killed in accidents at work	per 100.000 employees	-
People 65 and over at risk of poverty or social exclusion	% of people 65-w	-
Young people neither in employment nor in education and training	% population 15-29	-
Involuntary part-time employment as percentage of the total part-time employment	%	-
Vulnerable employment (modeled ILO estimate)	% of total employment	-
Temporary contracts for people aged 20-64 years old	% of total employment	-
Gender pay gap in unadjusted form	% of average gross hourly earnings of men	-
Female ratio of inactive population due to caring responsibilities	f/m ratio of inactive population 20-64	-
Adult participation in learning	% of population 25-64	+

Inequalities

A reduction in the gap between the worst and best performers is measured in the time series (Chart 6). In 2021, on average both the top five and the bottom five improved their levels compared to 2010, but this improvement was greater for the bottom five than for the top five.

The top five states in 2021 had 36.4 million people⁴⁴ (8.2 per cent of the European population), while the bottom five had 97.9 million⁴⁵ (21.9 per cent). Compared to 2010, the population belonging to the subgroup of the top five countries decreased by 6.7 million (equal to 9.8 per cent of the EU27 population in 2010). The population belonging to the subgroup of the worst five countries didn't change, except for the first year of the time series (in 2010, Spain didn't belong to the bottom five). Sweden, Denmark, the Netherlands, Belgium and Luxembourg are the states most frequently found among the top performers, while Bulgaria, Greece, Romania, Italy and Latvia are the states most frequently found in the bottom five positions.

Elementary indicators

The top five registered (Chart 7) an improvement in adult participation in learning (between 2010 and 2021), while the same period saw an increase in the share of fixed-term contracts. The bottom five countries saw an improvement in labour vulnerability (between 2010 and 2021), a decrease in temporary contracts, but also an increase in the share of involuntary part-time employment.

In 2021, wide gaps were still evident between the top five and bottom five performers in many indicators, including adult participation in learning, the share of involuntary part-time, and the share of NEETs, and these gaps have further widened since 2010.

⁴⁴ Sweden, Denmark, Slovenia, Luxembourg, the Netherlands.

⁴⁵ Romania, Italy, Greece, Latvia, Bulgaria.

3. The EU as a global player

Priority number 5 of European Commission programme 2019-2024 is entitled “A stronger Europe in the world”. Centred on SDG 17, it includes cooperation and development aid, as well as the strategic role of the EU in the multilateral system.

3.1 The Global Gateway initiative

The Global Gateway initiative is the main EU international cooperation strategy, with a highly geostrategic approach that aims to better position the EU in the world. It was launched on 1 December 2021 with the Joint Communication adopted by the Commission and the High Representative/Vice President (HR/VP) Josep Borrell.

Conceived as Europe’s contribution to narrowing the global investment gap, the strategy focuses on high-quality hard and soft infrastructure as it holds the key for sustainable development across the world and it also is a crucial part of the fight against climate change, the protection of the environment, the improvement of global health security and the boost of the competitiveness of the world economy.

Recalling the World Bank estimates⁴⁶ of an investment gap of €1.3 trillion a year, including infrastructure to limit climate change and environmental degradation, the initiative aims to mobilise €300 billion in investments through a so-called Team Europe approach.

The Team Europe approach brings together resources of the EU and EU Member States, European financial institutions and national development finance institutions, and actively seeks to mobilise private sector finance and expertise, and support access to sustainable finance. EU funds are included in the EU multi-annual budget 2021-2027, in particular the Neighbourhood, Development and International Cooperation Instrument (NDICI) - Global Europe.

The Global Gateway includes investments in digital, energy and transport infrastructure, in the health sector to support access to and the manufacturing of vaccines, medicines and health technologies, as well as in education and capacity building.

The initiative, which is declared to be fully aligned with the UN’s 2030 Agenda and its Sustainable Development Goals (SDGs), and the Paris Agreement, is part of the Partnership for Global Infrastructure and Investment (PGII) launched by the G7 leaders at its 48th Summit in Schloss Elmau. In addition, it especially endorses as its guiding principles an ethical approach so that infrastructure projects do not create unsustainable debt or unwanted dependencies, good governance and transparency, equal partnerships, meaning that “those most affected by potential projects – local communities, businesses and partners – must have their full say through proper public consultations and civil society involvement”⁴⁷, respect of the European Green Deal oath to do no harm, and the commitment to create inclusive growth and jobs.

⁴⁶ Rozenbert, Julie; Fay, Marianne. Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet. World Bank Group. February 2019. <https://openknowledge.worldbank.org/entities/publication/95801508-1130-5ed0-843a-113b50285006>

⁴⁷ European Commission. Joint communication on The Global Gateway. December 2021. https://commission.europa.eu/document/3378e8f6-9d65-4ca0-8ab6-ce81399d5db6_en

Governance of the initiative is under the overall steer of the President of the Commission, the High Representative/Vice President of the Commission and responsible Commissioners. In this context, a Global Gateway Board (GTB)⁴⁸ was established to provide strategic guidance and identify operational priorities, and a business advisory group for private sector involvement was set up. The EU is now also working on the creation of a Global Gateway civil society dialogue platform within the existing Policy Forum for Development⁴⁹.

In its opinion on the Global Gateway, the European Economic and Social Committee (EESC) stressed that investments should be based on impact assessments that evaluate not only strategic considerations but also issues relating to climate change, environmental protection, human rights and social responsibility. It also calls for creating links and providing lasting economic and social benefits for local communities in partner countries, which would be possible only if the bottom-up approach is used to build strong local value-added production chains and to strengthen domestic markets in partner countries by creating high quality jobs as well as sustainable know-how transfers. The EESC highlights as well that transparency and due diligence procedures must be found in the 'sine qua non' conditionalities for launching any project funded by EU state and non-state actors, and underlines the need of creating a set of tools to access key data, along with the parameterisation of relevant indicators to measure progress in implementing this strategy and transparency tools such an improvement of the website that consent access to relevant information on all the projects, budgets and partners involved.

On the Global Gateway Board, in order to improve the quality and relevance of the decisions that will be taken, the EESC states that "other members representing civil society organisations, including social partners, especially trade unions, [...] have to be involved"⁵⁰.

On the basis of similar considerations to those of the EESC, the NGOs coalitions Counter Balance and Eurodad criticise the Global Gateway⁵¹ for being insufficiently responsive to contribute in a meaningful way to poverty reduction and the fight against inequalities and climate change. In addition, they call for transparent decision-making, a democratic ownership of development strategies and meaningful participation of a broad range of stakeholders, both in partner countries and in Europe, including the European Parliament and civil society.

In its resolution of 24 November 2022 on the future European Financial Architecture for Development⁵², the European Parliament expressed its concern that "the key features of the Policy Coherence for Sustainable Development (PCSD) principle are systematically missing from regulatory initiatives of the EU; stresses that more efforts are needed to fully comply with PCSD principles, in order to achieve aid effectiveness objectives"⁵³.

As already underlined in previous resolutions such as the resolution on the implementation and delivery of the Sustainable Development Goals (SDGs), the Parliament also stressed "the importance of measuring the EU's contribution to the SDGs in a precise and comprehensive manner, given that this is an essential condition for achieving policy coherence for sustainable development"⁵⁴.

48 First meeting on 11 December 2022: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7656

49 European Commission. Speech by Commissioner Urpilainen at the Concord Equality Day. March 2023. https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_23_1805

50 European Social and Economic Committee. The Global Gateway. Opinion. May 2022. <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/global-gateway>

51 Eurodad. The Emperor's New Clothes: What's new about the EU's Global Gateway? September 2022.

<https://www.eurodad.org/the-emperors-new-clothes-what-s-new-about-the-eu-s-global-gateway>

52 European Parliament. European Parliament resolution on the future European Financial Architecture for Development (2021/2252(INI)). November 2022.

https://www.europarl.europa.eu/doceo/document/TA-9-2022-0420_EN.pdf

53 See also the European Parliament briefing "The Global Gateway - Taking stock after its first year"

<https://epthinktank.eu/2023/01/16/the-global-gateway-taking-stock-after-its-first-year/>

54 European Parliament. Resolution on the implementation and delivery of the Sustainable Development Goals (SDGs) (2022/2002(INI)). June 2022.

https://www.europarl.europa.eu/doceo/document/TA-9-2022-0263_EN.html

3.2 EU action in the multilateral context

In the framework of Priority number 5 of its 2019-2024 programme entitled “A stronger Europe in the world”, in February 2021, the Commission adopted two strategic Communications.

The first one was a joint Communication of the Commission and the HR/VP on “strengthening the EU’s contribution to rules-based multilateralism”⁵⁵.

The Communication declares the EU principles for multilateralism promoting global agendas such as the 2030 Agenda and the Paris Agreement, and its commitment to playing an active role in the reform of multilateral system institutions, with the inclusive involvement of government, civil society, the private sector, academia and other stakeholders.

In the section on “Building back better from the pandemic”, the Commission mentions a proposal for a Global Recovery Initiative that links investment and debt relief to the 2030 Agenda to secure a truly transformative, post-Covid-19 path.

The second Communication related to the trade policy review “An Open, Sustainable and Assertive Trade Policy”⁵⁶. It included a draft proposal for reforming the rules of the World Trade Organisation (WTO) in line with the SDGs. For decent work and gender equality issues, the Commission calls for more active cooperation between the WTO and the International Labour Organisation (ILO).

The Communication on trade policy introduces the commitment to establish mandatory rules for sustainable and responsible value chains, then formalised in February 2022 in the Proposal for a Directive on due diligence⁵⁷. In September 2022, it followed the Proposal for a regulation on prohibiting products made with forced labour on the Union market⁵⁸.

Both initiatives are also part of the framework strategy adopted in the Communication on decent work worldwide - for a global just transition and a sustainable recovery, adopted in February 2022. In the premises, the Commission underlines that the “EU supports the universal concept of decent work as developed by the ILO and as reflected in the UN Sustainable Development Goals, consisting of the four inseparable and mutually reinforcing objectives of productive employment, standards and rights at work, social protection and social dialogue. Gender equality and non-discrimination are cross-cutting issues in these objectives.”⁵⁹

In the conclusion to A Comprehensive Approach to Accelerate the Implementation of the UN 2030 Agenda for Sustainable Development – Building Back Better from the COVID-19 crisis, dated 22 June 2021, the EU Council reaffirmed its commitment to the 2030 Agenda, and relaunched the Commission’s proposal for a Global Recovery Initiative linking investment and debt relief to the SDGs worldwide, as well as it recalled the ongoing work on multilateral actions on debt and sustainable financing adopted within the G20. It also underlined that trade is a central instrument for the implementation of the 2030

⁵⁵ European Commission. Joint Communication to the European Parliament and the Council on strengthening the EU’s contribution to rules-based multilateralism. February 2021. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN:2021:3:FIN&qid=1613729808283>

⁵⁶ European Commission. Trade Policy Review - An Open, Sustainable and Assertive Trade Policy. Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. February 2021. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:66:FIN&qid=1613729523865>

⁵⁷ European Commission. Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937. February 2022. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=COM:2022:71:FIN&qid=1645973928029>

⁵⁸ European Commission. Proposal for a regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market. September 2022. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0453>

⁵⁹ European Commission. Communication to the European Parliament, the Council, and the European Economic and Social Committee on decent work worldwide for a global just transition and a sustainable recovery (COM/2022/66 final). February 2022. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=COM:2022:66:FIN&qid=1645973928029>

Agenda, and highlighted the central role that rules within WTO can play in trade agreements conducive to social and environmentally sustainable development goals.⁶⁰

A year later, on 23 June 2022, in its Resolution on the implementation and delivery of the Sustainable Development Goals (SDGs)⁶¹, the European Parliament stressed the need for renewed global political commitment and intensified multilateral cooperation if the EU and its partners are to make significant progress in the remaining years to 2030, and sounded the alarm regarding public indebtedness in developing countries, stating that the current crisis has exacerbated pre-existing debt vulnerabilities, and calling “for the creation of a multilateral debt handling mechanism, under UN auspices, to address the debt crisis in developing countries and the financing requirements of the 2030 Agenda”.

It is necessary to point out that, despite these statements by the EU institutions on the need for structural solutions to tackle the indebtedness of developing countries, there is still a lack of structured policy proposals appropriate to the challenges.

As envisaged in the UN Secretary General Policy Brief on reforms to the International Financial Architecture, “the Sustainable Development Goal and Paris Agreement targets will clearly not be met if the international financial architecture does not channel resources at scale and speed to the world’s most vulnerable economies. This failure poses a growing and systemic threat to the multilateral system itself, driving deepening divergence, geoeconomic fragmentation and geopolitical fractures across the world”⁶².

It is fundamental for the EU, in coherence with its commitment to the SDGs, to take on these conclusions by supporting the UN Secretary General’s SDG Stimulus and actively participating in the development of a reform of global financial rules.

60 Council of the European Union. A comprehensive approach to accelerate the implementation of the UN 2030 Agenda for sustainable development – Building back better from the COVID-19 crisis. Council Conclusions. June 2021. <https://data.consilium.europa.eu/doc/document/ST-9850-2021-INIT/en/pdf>

61 European Parliament. Resolution on the implementation and delivery of the Sustainable Development Goals (SDGs) (2022/2002(INI)). June 2022. https://www.europarl.europa.eu/doceo/document/TA-9-2022-0263_EN.html

62 United Nations. Our Common Agenda: Reforms to the International Financial Architecture. Policy Brief 6. May 2023. <https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-international-finance-architecture-en.pdf>

4 - Final Recommendations

Summarising the challenges at stake, we need to review the RRF and better align the EU Social Pillar Action Plan with the SDGs. To this end, the EU must consider:

- A decent work-centred approach, realising that decent work is the only main driving force through which we can both generate the necessary investment for the green and digital twin transitions, and pursue social goals, in a timely manner according to the recovery needs and while tackling EU geopolitical vulnerabilities. We underline that decent work is crucial in meeting the challenge to deploy more investment to address climate and environmental threats to our social and economic prosperity now and in the near future at EU (and worldwide) level, to invest beyond the financial assets already in place⁶³.
- Rewriting Target 1 of the Social Pillar Action Plan, by integrating the numerical target of employment by 2030 with targets related to decent jobs by 2030, in line with Target 8.5 of Agenda 2030, and adopt a related set of indicators to measure the Target (such as the framework illustrated in Part B). In addition, a quantitative target to reduce inequality among Member States could be included using the Top 5-Bottom 5 index shown in Part B in order to accelerate the convergence process between the south and north of the European Union, which still show particularly uneven trends and performance.
- Inviting Member States to draw up national employment plans that include plans for training, up-skilling and re-skilling, to prevent and correct employment-skills mismatches, identifying support measures for the most vulnerable social groups, the means of implementation and financing facilities. The plans must be defined within the framework of a diffused social dialogue, integrating the main national strategies for climate and environmental goals, industry and digital transformation, social care needs and demographic forecasts.
- Improving guarantees for a meaningful social dialogue⁶⁴ as the key driver to achieve decent work and related goals. It cannot remain a statement of principle or a formal requirement that can be eluded in the facts.
- Strengthening its policy instruments to ensure that the above indications are followed by Member States, making the achievement of quantitative targets mandatory for Member States, and setting up a monitoring system for policies implemented at country level that is capable of assessing the impact of public policies on the achievement of these targets.
- Territorialising quantitative targets by defining a different threshold for each Member State and internal region⁶⁵ where appropriate.
- Evaluating the impact of monetary policies and the balance between decent work - price stability and inflation, considering a reform of ECB rules in order to maximise decent work protection and creation⁶⁶.

⁶³ As estimated most recently in the European Commission Communication "Towards a green, digital and resilient economy" <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52022DC0083&qid=1646473449480> and in the European Investment Bank investment report 2022/2023 <https://www.eib.org/en/publications/online/all/investment-report-2022-2023>

⁶⁴ On this issue, the EC has adopted the Proposal for a Council Recommendation on strengthening social dialogue in the European Union <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52023DC0038&qid=1674905186916>

⁶⁵ Considering the European Committee of the Regions' analysis in the opinion "Progress in the implementation of SDGs" <https://cor.europa.eu/en/our-work/Pages/OpinionTimeline.aspx?opId=CDR-4274-2022>, in which it expresses concern that the indicators used to assess SDGs are all on a national level. For medium-sized and large countries, these assessments do not reflect the reality on the ground, as there are large disparities within countries.

⁶⁶ Considering the outcome of the Report by Joseph Stiglitz - Rewriting the rules of the European economy <https://eips-europe.eu/wp-content/uploads/2019/03/Rewriting-the-Rules-of-the-European-Economy.pdf> and the last European Parliament resolution of 16 February 2023 on the European Central Bank - Annual Report 2022 https://www.europarl.europa.eu/doceo/document/TA-9-2023-0057_EN.html

In its external actions, the EU must adopt:

- A decent work-centred approach in all investment. The Global Gateway programme and its alignment with the UN's 2030 Agenda must be demonstrated in ex-ante and ex-post assessments of any project, with appropriate science-based indicators and monitoring tools. Transparency, due diligence procedures must be found in the sine qua non conditionalities for launching any project funded by an EU state or non-state actors. Choices must be discussed with a meaningful participation of a broad range of stakeholders, both in partner countries and in Europe.
- The promotion of a structured social dialogue in its external relations and development policies, including in the implementation of the Global Gateway.
- A policy coherence/coordination framework for SDG implementation, between UN country systems and EU delegations in third countries.
- A priority list for investment defined according to the joint programming process with each partner country and region⁶⁷ and with the involvement of local communities, maximising decent work creation within a framework of long-lasting economic and social benefits at local level.
- Stronger partnership coordination in line with SDGs, establishing a forum between the Global Gateway and other EU initiatives for external action and development aid initiatives, also within the context of the G7 Partnership for Global Infrastructure and Investment (PGII) and at Member State level.
- A resolute political position to ensure financial support to the UN Global Accelerator on Jobs and Social Protection for Just Transitions⁶⁸. The Global Accelerator will mobilise efforts to create 400 million jobs by 2030 and extend social protection to 4 billion people currently uncovered, while promoting just transitions. The UN Global Accelerator is central to achieving SDG 8. Making the Global Accelerator a reality will require scaling up EU financial support to a Global Social Protection Fund that will coordinate international financing for social protection.
- An active role in all international fora (such as G7, G20, COPs of UNFCCC - UNCBD - UNCCD, HLPF, UN Summit of the Future, Social summit etc.) for the reform of international financial architecture. The EU must support financial rules that are inclusive, effective and fair, putting the 2030 Agenda principle of leaving no one behind into practice and contributing to the policy design of the measures promoted by Secretary General António Guterres to finance the implementation of the SDGs⁶⁹. To align financial flows with SDGs and the Paris Agreement commitment to "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development", tackling inequalities must be adopted as the cornerstone of the reform⁷⁰.

⁶⁷ European Commission. International Partnerships. https://international-partnerships.ec.europa.eu/countries_en

⁶⁸ United Nations. Global Accelerator on Jobs and Social Protection for Just Transitions. <https://unglobalaccelerator.org>

⁶⁹ We would highlight that up to now, a political debate and consequent proposals to make financial flows coherent with SDGs and consistent with the Paris Agreement on climate change are still missing at EU and Member State level. Consequently, the EU must urgently – now more than ever – push for a new multilateral agreement to establish a finance tool for climate action. The finance tool must be decent work-centred, and localised where it is most needed. A job-centred approach is the only way to tackle the "crisis of biblical proportions that is climate chaos", as stated by the UN Secretary-General Antonio Guterres at the conclusion of COP27.

⁷⁰ In line with the "Earth for all" report to the Club of Rome findings, <https://earth4all.life>

