

# Trade Union Involvement in shaping a Just Transition towards a Sustainable and Decarbonised Industry

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# Scope of the research

- Within EU
- Only initiatives with TU (actively) involved
- Focus on 4 sectors:
  - Automotive sector and supply chain
  - Energy
  - Energy-intensive industries (aluminium, cement, chemical, pulp and paper, steel)
  - Extractive industries

# Context of the research

- Industry:
  - 90% of EU industrial CO2
  - 90% GHG emissions
  - 25% of the total EU industrial employment
- Paris agreement targets
- EU green deals
  - Fit for 55
  - Just Transition



# TU involvement in Just Transition initiatives

- National level – the most difficult
  - UK (Scotland) – Offshore oil and gas ESA
  - Spain – Coal mining
  - Finland - Climate policy round table
- Sectorial level – often easier as BAU
  - Germany – Automotive
  - Czech - Steel
  - Finland - Chemical
- Workplace level – the easiest but lower impact, however can create a precedent

# Coal mining in Spain – shifting economy

## Coal in Spain (2016)

- Production: 2,187,157 tons/year
- 40th in the world
- 1/3 national consumption (67% imported)
- 7.8% national energy demand
- 500k tons exported
- 60 years of reserves (14,744,708 tons)

# Coal mining in Spain – A national agreement

- October 24th 2018 (not always well accept by regions)
- Transition deal between :
  - Government (Ministry of Ecological Transition)
  - Trade unions (UGT FICA, USO and CCOO de Industria)
  - National Federation of Coal Mining Businesses (Carbunion)
- 6th agreement
  - 1990-1993 ; 1994-1997; 1998-2005; 2006-2012; 2013-2018
  - EC 2010/787/EU - closure of coal mines

# Coal mining in Spain – Encompassing approach

- Territorial scope:
  - All Spain's privately-owned pits (10 pits)
  - 1000 jobs affected
  - Aragon
  - Territory of Pertollano
  - Castilla y León
  - Principality of Asturias
- Temporal scope: 2019-2027
  - Exceptional measures for companies: 2019/2025.
  - Reactivation measures for coal mine regions: 2019- 2027



# Coal mining in Spain – strong funding support

- Strongly based on National & EU regional development funds
- Funds support - 250 million euros
  - tax incentives
  - investments in business and clean energy initiatives (2019–2023)
  - inclusions of contractors
  - Social plan (see next slide)
  - environmental restoration of the affected areas
  - developing plan for renewable energies and energy efficiency;
  - possibility for local or regional administrations to sign just transition contracts with the Government

# Coal mining in Spain – classic social plan

- Social plan
  - Early retirement for miners over 48
  - Retraining for green jobs
  - Bayouts, zero counter
  - Job exchange
  - Employment agency involvement
  - Surplus relocations
  - Training Plan

# Coal mining in Spain – Creating a precedent

- First steps creating snowball effects - other agreements came/to come:
  - Autumn 2018 Urgent action plan for mine regions – alternative economy
    - Signed between Local regions, social partners and worker
    - Restore exploitations in mine regions 2018-2023.
    - Plan to Develop Renewable Energies and Energy Efficiency 2018-2023.
    - Realizing Contracts of Just Transition for Regions affected by the closure of Mines aimed to create and fix employment at medium and long term
  - April 2020 Agreement on the closure of the coal thermal plants
    - Same TU + Endesa, Iberdrola and Naturgy
    - Similar support
  - public sector mining operations
  - other industries such as electricity unions

# German automotive electrification - context

## Global structure supporting change

### Sectorial targets:

- 1 million electric vehicles deployed by 2020 (National Development Plan for Electric Mobility)
- increase transport sector efficiency by 10% in 2020 and 40% by 2040 vis-a-vis 2010 (German Federal Energy Concept)
- 16 EV models by German brands by 2014 (Government Program for Electric Mobility)
- No production of diesel engines by 2040

### Policy instruments:

- Doubling expenditure for PHEV and BEV R&D in Germany in the 2011 (Government Program for Electric Mobility )
- 2016 a buyers premium of 4000 euro per BEV or 3000 euro per PHEV for vehicles under 60k
- Electric Mobility Act (2015) to promote use of electric vehicles

### The National Platform for Electric Mobility:

high ranking members of business, science, civil society, bureaucracy in 7 working groups to create regulatory conditions for the growth of the sector

# German automotive electrification – TU lead

## IG Metall lead

- All initiatives discussed are taken by the IG Metall trade union
- Broad range of initiatives
- overlook the consequences of this electrification for:
  - the companies
  - The workers
  - the German economy
- Proactive in development of ideas to tackle issues accompanying this change
- Always work at three level:
  - Political (sectorial/regional/national)
  - Company/plant
  - Worker/Individual

# German automotive electrification – ex1

## Political Level

### Strategies

- Early-stage actions
- Lobbying
- Creating awareness of problems/changes
- Focus on vulnerable regions
- Working group

### Output

In Winter 2020: agreement was reached that the federal state would create funds to support regional activities to create new jobs, to retrain people, etc.

# German automotive electrification – ex2

## Company/Plant Level

- Negotiations on the electrification started in 2017 in OEM (= original equipment manufacturers: automotive manufacturers and big supplier companies)
- Works councils involved/lead in strategies design wrt consequences of electrification for the workforce – 3 steps:
  - 1) Creation of high level bipartite group (key actors at workers' and employer's side)
    - alongside the works council
    - Look at all long-term decisions (from a business perspective) regarding the transformation of the automotive industry
    - give an opinion on these decisions
    - make management aware of other possibilities, social impact, etc
  - 2) Enable them to develop an own strategy how to cope with the mid- and long-term plans.
    - Enhancement of codetermination rights of works councils
    - Sensibilisation of works councils to start looking at the mid- and long-term future of every plant and workplace.
    - Providing work councils with tools (for ex. questionnaires, providing experts) to develop a strategy and to try to find out the future of the product and thus the future of the plant = transparency of the management.
  - 3) Request for investments and commitment from the company to the future of the plant.

# German automotive electrification – ex2

## Company/Plant Level

### Good examples:

- Volkswagen group
- Daimler BMW
- Scheffler

### Difficulties:

- Management does not easily disclose or bind themselves to long-term plans.
- Smaller supplier companies which are dependent on the automotive industry: more than 1/3 is dependent on combustion engine. They usually do not have the financial resources to change to alternatives.



# German automotive electrification – ex3

## Worker Level

- Sensibilisation of workers to accept this major technological change in the automotive industry. Workers cannot expect that trade unions will try to stop these changes.
- (Re)skilling of workers
  - Adapting universities' curricula (for ex. Electrochemistry)
  - Improving measures for workers to get retrained/reskilled: provisions were included in collective agreements allowing works councils to demand for skill planning for an individual worker, retraining at least partially payed by the company.
  - Further development of reskilling schemes for workers in the workplace (connected to short time work as introduced during the crisis of 2008; when short time work was used for reskilling, it was subsidized by unemployment insurance).
- Solutions for job loss
  - Early retirement negotiations
  - Support to find a new job: companies have organised easier transfer of people (same system as an employment agency, but within companies). This was also negotiated.

# Main take-aways

- Shaking the rules
  - Recognition of TU important role
  - Government and industries open to dialogue
- BAU
  - Rethink the industry
  - Similar goals and strategies for TU
- High potential for TU

# Further steps

- Investigating Czech case
  - Steel industry
  - Toon Van-Overbeke
- Collection of other initiatives
  - Aware of TU involvement in the 5 sectors?
  - Email [julie.metta@kuleuven.be](mailto:julie.metta@kuleuven.be)
- Reporting TU Capacities and Strategies

# Thank You Q&A

For further question  
ask Toon Van-Overbeke  
during the workshop  
or email : [julie.metta@kuleuven.be](mailto:julie.metta@kuleuven.be)