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# Re: IndustriAll European Trade Union demands concrete measures to improve national social dialogue in order to deliver a Just Transition of the Green Transition

Dear Commissioners,

IndustriAll Europe has welcomed the European Green Deal, but has repeatedly warned about the insufficient measures and resources that could ensure a Just Transition for the impacted workers. The Fit for 55 package dramatically accelerates the transformation of the industries, but lacks concrete ambition to achieve a Just Transition in which social dialogue and workers' participation are in the centre.



25 million manufacturing workers in Europe are currently facing a perfect storm of economic change as a result of the twin transition and globalisation, including the risk of restructuring and job losses, unless the EU increases its ambitions for a strong social dimension that support the implementation of the 2030 targets of the European Pillar of Social Rights. This can only be achieved through well-functioning social dialogue at the national level. However, in most Member States, social dialogue and collective bargaining has been continuously weakened and undermined over the last decade. The COVID-19 crisis and the digital transformation - which is a twin of the green transformation - are only accelerating the forces of change that threaten to leave workers behind. Inaction poses major risks for Europe. Social disruption, due to a badly managed transition, might severely undermine the ability of the European Green Deal to succeed. In view of developments and the upcoming elections in some Member States, we are extremely concerned that this might also play into the hands of populists.

We welcome the renewed support for social dialogue and collective bargaining in the Action Plan to implement the European Pillar of Social Rights, but concrete actions need to be taken urgently. We are particularly concerned that DG EMPL has been largely absent from the crucial initiatives taken at EU level to address the Just Transition, namely the Just Transition Platform and the Platform on Coal and Carbon-Intensive Regions. For industriAll Europe, a Just Transition can only be achieved if workers have a seat at the table. This has to go hand in hand with escaping from a silo approach during the transition planning and a strong commitment by DG EMPL to actively promotesocial dialogue and workers' participation in the spirit of the provisions of the TFEU, in particular articles 151-155.

Below are some concrete examples of how social dialogue and workers' rights are undermined, hereby jeopardising the Just Transition:

- In **Poland**, the legislation seems supportive of social dialogue on paper, but in practice it fails to prevent union busting and protect workers' fundamental rights to form a union and to collectively bargain. Moreover, the law facilitates the fragmentation of employers' representatives, so that trade unions have no partners to negotiate with at the sectoral levels. For example, there is no social dialogue in the energy sector, making a Just Transition impossible. In the automotive sector, trade unions do not have a counterpart to negotiate a Just Transition with.
- In **Romania**, the 2012 Social Dialogue Law, which was passed as a result of the intervention of the Troika and the lobbying of multinational companies, continues to make social dialogue dysfunctional. No sectoral agreements have been concluded since the law came into force (before 2012, the law obliged employers to negotiate at sectoral level, like the Swedish law). The change of law also undermines workers' fundamental right to strike. The current government is making matters worse by speaking only to multinational companies and NGOs. Romanian trade unions have not been involved at all in the Just Transition Territorial Plans, nor in the National Recovery and Resilience Plan.
- In <u>Slovakia</u>, the government is in the process of dismantling the welfare state, the social dialogue system, and of rolling back on the social and labour rights of citizens.
- In **Czechia**, the government has weakened the sectoral social dialogue, making the conclusion of sectoral agreements impossible. Employers (especially those of multinational companies) refuse to negotiate at any level other than the company one, and engage in union busting practices.
- In **Finland**, the employers in the forest industries announced their plan to <u>withdraw from national collective bargaining</u>. One of the largest companies in the forest sector (UPM) went as far as threatening to individualise wage-setting for its employees, and therefore violating workers' fundamental right to collective bargaining.
- In **France**, in some cases, employers are taking advantage of the COVID-19 situation to divide workers within the same companies with certain entities covered by a collective agreement, and not others. In some branches, the employers categorically refuse to negotiate and, therefore, do not propose any reevaluation of wages, despite the fact that they have received state aid since the beginning of the pandemic. Collective bargaining is a right and not just an option.



- In <u>Greece</u>, the government has passed a highly controversial labour law which is contrary to the European Pillar of Social Rights, because it increases working time and limits workers' fundamental right to strike.
- **European works councils** continue to fall short of playing the role the Directive grants them in anticipating change in multinational companies. Over the past five years, industriAll Europe has amassed and shared with the European Commission a wealth of examples of the breach of both national and European rights to information and consultation, which has prevented restructuring to be managed in a socially responsible way (e.g. at Nissan, Nokia, ArcelorMittal, General Electric and Honda...). Large-scale ETUI research demonstrates that only one third of EWCs are usefully informed or consulted about corporate strategy, including environmental protection policies. The operation of EWCs has further deteriorated with the COVID-19 crisis.

These examples clearly demonstrate the urgent need to strengthen social dialogue at national and transnational levels and to prioritise workers' participation in the transition process. It should have become clear that the main issue lies either with European and national legislation or with employers' good will, or both. The European Commission has all the necessary instruments to improve the situation and to make Just Transition a reality. We have high expectations of the European Pillar of Social Rights Action Plan and the Nahles report on the announced review of social dialogue, which states that: "Any existing legal barriers hindering the development and the work of national social partners should be identified and abolished." We hope that the Commission will follow suit on these announcements.

At a time when the EU is carving out its strong climate ambitions aiming for leadership on a global level, Europe must demonstrate leadership on a strong social dimension and on a Just Transition that does not leave anyone behind!

We would be very happy to discuss with you how Just Transition can become a reality by improving social dialogue in Member States.

Yours sincerely,

Luc Triangle

**General Secretary** 

IndustriAll European Trade Union