



Nothing About Us Without Us:

setting the scene for our
Just Transition Manifesto



**JUST
TRANSITION** NOTHING
ABOUT US
WITHOUT US!

Achieving Just Transition requires industrial workers' voice.



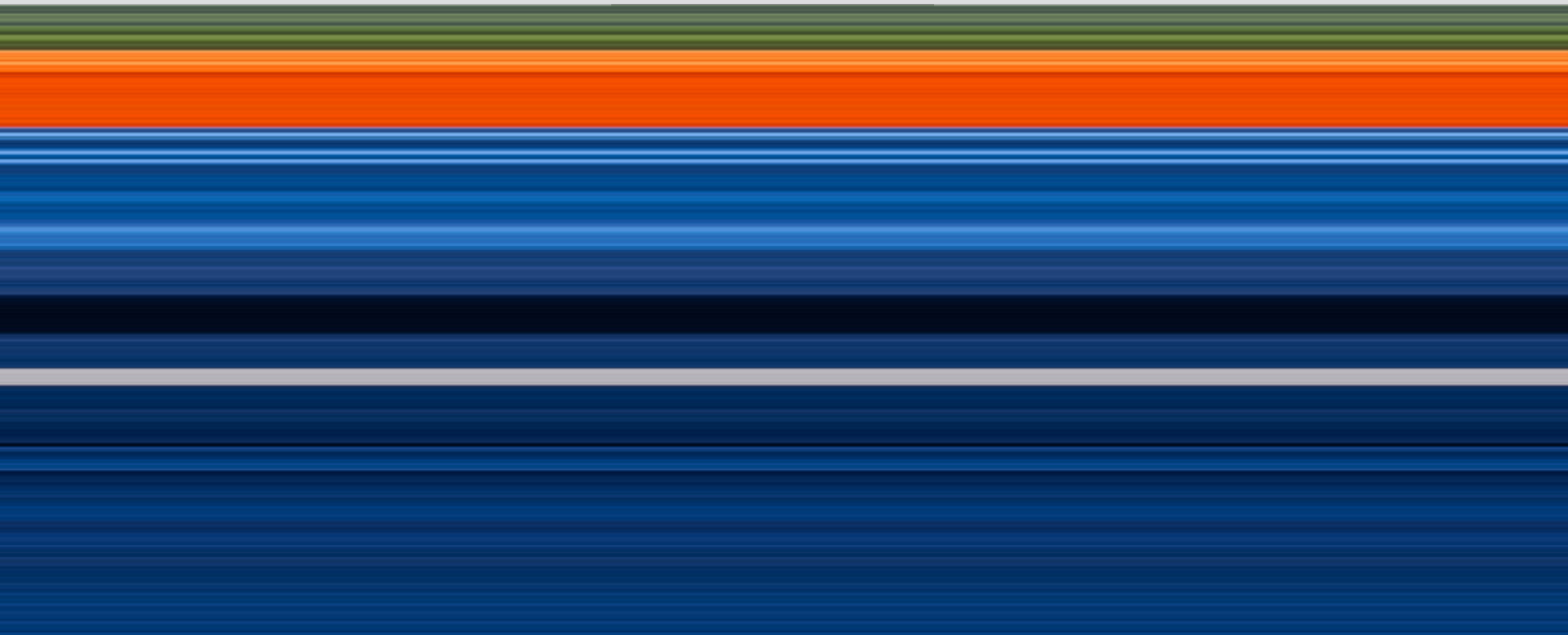
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1. Why do we need a Just Transition Manifesto?



'Just Transition', once a trade union campaign slogan, has finally made its way into the common language of European policymakers and national leaders. For trade unions, Just Transition means the transformation of the economy in a fair and inclusive manner to ensure the maintenance and creation of good quality jobs¹. The participation of workers and their trade unions in the anticipation and social management of industrial change is a prerequisite: 'Nothing about us without us'.

Representing workers across Europe's manufacturing, energy and mining industries, at industriAll Europe, we have consistently raised our voices to demand a comprehensive Just Transition framework that provides for adequate resources, is based on effective policy planning, promoting and strengthening workers' rights, and involves trade unions through intense social dialogue. The urgency of creating this framework has only been increased as a result of the volatile context in which we find ourselves.

Increased climate ambitions are taking place in a context of the COVID-19 pandemic, which put economic pressure on sectors, companies and workers, causing an acceleration of change in many sectors, combined with digitalisation, and which fundamentally changed industries and workplaces. What is more, the war in Ukraine and the broad sanctions imposed as a consequence will lead to lasting disruptions in the production and supply chains, which will put our industries under even further pressure. Already now, supply shortages and the pre-existing crisis in the energy and commodities markets, which have seen historic price spikes across the European continent, are adding pressure on companies, while threatening decarbonisation efforts and raising questions about energy and raw materials supplies. These developments create simmering social pressure, which can quickly and unexpectedly boil over, causing long-term damage to Europe and our societies.

We stand in solidarity with those impacted by the war in Ukraine and call for peace. This crisis only increases our resolve to achieve clean energy sovereignty in a socially just manner. We need to deliver on the Green Deal agenda to decarbonise our economies and achieve energy self-sufficiency rapidly. But without peace and international cooperation this will be extremely difficult for us all. The war must not be used as an excuse to roll-back efforts to achieve a Just Transition and secure decent jobs in Europe.

Reaching climate neutrality by 2050 requires steep emission cuts, starting in the coming decade. It is vital that people understand the scale of change needed - this is an unparalleled challenge to meet, in volatile circumstances. Investment cycles mean that the technology choices for 2050 in many of our sectors will be made before 2030. Given the number of jobs at stake, the magnitude of the ongoing transformation and the potential impact of high prices on industry and purchasing power, social disruption due to a badly managed transition might severely undermine the ability of the European Green Deal to succeed and will do long-term damage to our economies and societies. Since Europe's Green Deal is a deliberate political intervention into market forces, national and European politicians have a direct responsibility for delivering a Just Transition framework for the affected workers and regions that manages decarbonisation, while preventing deindustrialisation and increased inequalities.

Our role, as a European trade union federation representing the workers in Europe's manufacturing, energy and mining sectors, is to ensure that the necessary change will not jeopardise quality employment or quality working and living conditions of workers, but will instead enable the upward convergence across Europe: a genuine Green Deal for workers. IndustriAll Europe's core business is to defend workers' rights. But we also want to draw the attention of employees to their role in training and involvement in the transformations of the world of work so that their futures are not decided without them but rather they are proactive actors steering the changes in our societies.

¹ ILO guidelines for a just transition towards environmentally sustainable economies and societies for all (February 2016) https://www.ilo.org/global/topics/green-jobs/publications/WCMS_432859/lang-en/index.htm

Back in September 2021, industriAll Europe and its 183 member trade unions launched a Just Transition campaign based on five essential demands towards the EU, national and regional governments, and employers:

1. **Resources**
2. **Mapping of employment consequences**
3. **Anticipation of change and social dialogue for all workers**
4. **A toolbox of rights to ensure that transitions are smooth for individual workers**
5. **Policy cooperation and exchange of good practices**

Building on these five core demands of our Just Transition campaign, we have engaged in a mapping of Just Transition and trade union engagement across Europe through regional roundtables and sectoral initiatives. We went to the North, East, South and West of Europe to collect evidence on how trade unions are engaging in the anticipation and management of change to shape Just Transitions; what the main challenges and opportunities are on regional and national level; and where the major obstacles of trade union involvement have been. We have been working together with researchers supporting us with case studies on trade union involvement and how financial resources are being used, that can be found in the studies that accompany this manifesto. As a result, we can conclude that:

- **The transition is already happening**, and, in the light of the ongoing pandemic, the war in Ukraine and the pre-existing energy price crisis, its pace has been accelerating. Our members are facing a perfect storm of changes to the world of work and there is much need to exchange and coordinate strategies to manage the transition in a socially responsible way.
- **No country or region starts from the same position and no one has a perfect model.** This is reflected in the way the transition is being perceived. This is mainly due to the socio-economic realities in the different countries and regions, as well as due to the strength and stability of industrial relations systems. In every region of Europe, we heard that worker participation is under pressure and that there are challenges, albeit of different degrees.
- **Well-functioning industrial relations systems and strong welfare states provide the confidence needed for workers to see the transition as an opportunity.** For example, our affiliated trade unions in the Nordic countries reported that the transition was rather regarded as business as usual, bringing opportunities in terms of technological advancement and innovation. This can be explained by the high level of trust in the welfare states and in social dialogue across the Nordic countries. The system of flexicurity and proactive labour market policies facilitates job-transitions and, combined with a comprehensive state-funded education, offers a social safety net. Centralised collective bargaining on a sectoral and national level reinforces comprehensive roles for trade unions at company level. Both employers and unions invest heavily in education and reskilling. In Austria and Germany, the system of co-determination allows trade unions to address the transition on the ground.
- **Weakening social dialogue is a direct threat to a Just Transition:** In Central and Eastern European Countries, sectoral social dialogue has been weakened over past decades, often with foreign employers actively pursuing decentralised collective bargaining. Company-level social dialogue outcomes vary widely in terms of quality, depending on corporate approach and local trade union history. Union busting strategies by employers are often supported by governments and are no exception in CEE countries.

- **Strong economies with a high level of investments in advanced technology support unions in embracing the transition.** This was much emphasised by our affiliated trade unions from the Nordic countries. Indeed, the level of high-tech economic specialisation in these countries offers a competitive advantage to the region. Unions are used to managing constant job and skills changes. Long experience in managing digitalisation serves as preparation for managing the green transition.
- **Economic dependency and foreign ownership create uncertainty about corporate strategies:** Trade unions from Central and Eastern Europe in contrast are facing the challenge of an economic dependency caused by a very high share of foreign ownership, a subordinate position in transnational value chains, limited or lacking long-term national strategies and lack of comprehensive industrial strategies by national governments and, in some cases, lack of a stable government. The same pattern of foreign ownership and subordinated positions in supply chains creates a lot of uncertainty about company strategies and potential impacts on jobs in Southern Europe.
- While it is welcome that **the European Green Deal includes the first building blocks of a Just Transition policy**, such as the Just Transition Mechanism and Fund, these are too narrow in scope, financial firepower, and ambition to meet the challenges ahead. After negotiations in the Council, the newly established EU Just Transition Fund was limited to €17.5bn. This amount is just a drop in the ocean when you consider the many regions that are and will be undergoing the transition, and the Just Transition Fund is targeted at coal and carbon-intensive regions only. It leaves the needs of entire economic sectors and regions unaddressed. Other financial resources exist in the EU recovery funds and cohesion funds, but there is a lack of coordination and transparency about where and how these funds are supporting the transition. Furthermore, trade unions have often not been properly involved in transition plans that public authorities are currently developing to access these funds.

It must be stressed that there is no one-size-fits-all approach in how to address the transition to net-zero: the observations above offer evidence of the main elements and tools that can support the management of the transition and ensure that it is socially acceptable. On the basis of this evidence, this manifesto identifies key demands and recommendations for concrete actions and policy measures across industriAll Europe's political priorities that can support a transition which is socially responsible – a Just Transition².

² This manifesto is supported by selected case studies developed by experts from HIVA, the Research Institute for Work and Society at the KU Leuven and by the consulting firm Syndex, that can be found in the studies that accompany this manifesto. Moreover, a collection of good practices collected throughout our work on Just Transition is available in our online Just Transition Tool, which can be accessed by trade unions, EU institutions, governments and other stakeholders.

2. Our Just Transition Manifesto



a. An industrial policy fit for ambitious climate goals and good quality jobs: steering the transition

Industry has a crucial role to play in the transition to net-zero and there can be no Just Transition without sustainable and resilient industries. Emissions from industrial sectors account for 20% of EU greenhouse gas emissions today. Emissions from other sectors, such as transport or buildings, largely depend on the technologies used in the products and equipment we manufacture.

To achieve the EU's climate neutrality target, a 90% emission reduction is required from industry by 2050. The scale of this effort demands that all low-carbon technologies at our disposal are mobilised. In the same way, the emission reductions needed in transport and buildings will quickly and deeply reshape large parts of European manufacturing. To pave the way in the EU, the Commission launched the Fit for 55 package in July 2021, introducing targets and requirements for industrial sectors to achieve this, dramatically accelerating the speed of the transition³. Equivalent ambition is proposed in non-EU European countries, notably the UK and Western Balkans.

As industry provides for 30 million high quality jobs across Europe, the challenges this poses for our labour markets are enormous⁴. While macroeconomic analysis undertaken by the EU Commission may conclude slightly positive net employment forecasts, it is important to take into consideration when new jobs will be created, where the new jobs will be located, and what skills they will require. Granular employment mapping (particularly at regional level) is urgently needed, as most studies are made on the basis of macro econometric studies and forecasts. If we are to ensure a Just Transition, we must know where the workers impacted are actually based today, in which regions and in which companies, and where the jobs of tomorrow are expected to be. Only in this way can industrial strategies support a Just Transition.

What is certain is that today's industrial workers will be confronted with the impacts of this transition – and as existing skills shortages demonstrate, inaction will undermine our industries and companies long-term. Technological disruption, automation and digitalisation, de-investing in high-carbon activities, decarbonising transport and new business models, and the circular economy, will all have a deep impact on the quantity, character and quality of employment in most sectors of the economy. The choice of industrial strategy will be decisive.

Industrial policy must be a cornerstone of the European Green Deal. Industry is acting in an environment of international competition and requires a supportive regulatory environment to achieve this target, while remaining competitive on a global market. Keeping strong industrial value chains in Europe, while decarbonising them, will require a policy framework limiting the risk of carbon leakage without undermining Europe's place in global trade. Only through a decarbonised and sustainable industry base in Europe can we enable a fair twin green and digital transition. Short-termism, shareholder-focused strategies and the financialisation of industry threaten our industries and the transformation needed.

³ industriAll Europe's policy position on Fit for 55% https://agenda.industriall-europe.eu/uploads/documents/2022/1/637781861870019034_Adopted-TheFit-for-55Package-Position-IAE-EN.pdf

⁴ 2018 Eurostat manufacturing figures

Moreover, keeping and building strong industrial value chains in Europe is crucial to reach our climate objectives, not only because they provide high added value and offer high-quality jobs in Europe, but also because industry has the potential to deliver solutions to decarbonise our economy. For industriAll Europe, it is clear: the EU Green Deal must ensure that the transition does not mean de-industrialisation in Europe.

Energy security is a pressing issue for our industries and all working people in Europe. The existing energy price crisis has been intensified by Russia's actions and the war in Ukraine. All available means must be used to secure affordable energy for everyone in the coming months. Energy is fundamental for prosperity and a common good. Access to abundant, guaranteed sources of decarbonised energy at controlled and affordable prices is a prerequisite for the development of manufacturing and vital for its decarbonisation. The decarbonising of our energy systems must enable the development of new technologies and industrial processes (upstream to downstream) to create quality employment throughout the energy value chain. This decarbonisation is essential but not enough. Therefore, focus should be on three elements of energy policy: **greater energy efficiency, reduced energy consumption and increased clean and renewable energy production**, while respecting low carbon technology neutrality. For this to happen, the necessary framework conditions providing investors with certainty and predictability - e.g. swiftly accelerating permitting procedures and swiftly agreeing on the criteria to certify low-carbon and renewable hydrogen and gas – are urgently needed. The EU must learn the lessons from the energy crisis and avoid slipping from one form of dependency (Russian natural gas) to another (hydrogen and liquid natural gas imports from another set of countries). In this regard, the REPower Europe initiative is an important initiative but not a gamechanger⁵.

Furthermore, the challenges for industrial sectors are complex, as they will not be able to follow linear emission reduction pathways with the current available technologies. Instead, **the rollout of breakthrough technologies**, as well as a dramatic reduction of the primary energy and raw material consumption, will be necessary. In addition to strengthening the low-carbon industries that the EU already has, decarbonising EU industries requires deep changes in our energy systems, as well as the development of new industrial value chains, such as batteries or hydrogen. These must respect strong sustainability and circularity standards from the start and secure the supply of raw materials and key components needed. This needs massive public and private investment, notably in breakthrough technologies, that are often not yet mature, while 2030 is less than one investment cycle away. Public investment must provide an added value for society as a whole. When subsidising breakthrough technologies, it should be avoided that individual companies have exclusive intellectual property ownership.

Fundamentally, **democratic transition planning is key**. Transition pathways must be based on clear technology roadmaps that show how decarbonisation can be realistically delivered in each sector. These transition pathways must have a strong social dimension to allow workers to participate in anticipating change, determining the skills profiles that will be needed to plan the transition of the workforce, and shaping education and training systems to deliver the necessary skills. Workers must be involved at every stage of transition pathway planning.

National transition planning already exists in a number of countries (Finland and Sweden), and the EU transition pathways (currently under development) must draw on the experience of these countries and notably the importance given to stable and strong industrial relations to steer the twin transition. To support the objectives of a Just Transition, the Energy Union Governance Regulation must be reviewed in order to **update the National Energy and Climate Plans with Just Transition objectives**, including a mandatory consultation of trade unions through social dialogue, thus ensuring that Member States better anticipate the labour impact of Fit for 55 legislation.

⁵ industriAll Europe Policy Brief (2022-02) - The energy prices crisis and the EU's answers: <https://news.industrial-all-europe.eu/p/policy-brief>

Ensuring a comprehensive and inclusive industrial policy that provides industrial sectors with the tools to achieve the ambitious and necessary emission reductions and maintains high quality industrial employment in Europe, including trade unions through social dialogue, is vital. Furthermore, beyond mitigation measures, a comprehensive adaptation strategy is needed to address the impacts of climate change already being felt on the ground in our industries and regions. IndustriAll Europe wants to be part of this debate, as trade unions and workers are an inherent source of innovation in their industries and workplaces.

Over recent years, we have become an active participant in the industrial policy debate at EU level, pressing for an ambitious EU industrial strategy, including in the 2030 High-level Roundtable, the High-level Group for the Energy Intensive Industries, the Chemical High-level Roundtable, the Raw Materials Supply Group, and other fora that are relevant in anticipating the changes ahead. The European Commission launched its updated Industrial Strategy in May 2021, which aims to co-create transition pathways for 14 industrial ecosystems under the umbrella of the EU Industrial Forum (including industriAll Europe and the ETUC as members). However, industriAll Europe and its members are not always invited to the table when the future of our industries is under discussion. For industriAll Europe, **worker participation should be the rule in industrial policy making, at every level**, including EU, national, sectoral and local!

This demands stronger governance and monitoring of stakeholder involvement by the relevant EU and national authorities to ensure that the transition is inclusive. The European Just Transition Platform is a useful first step, but as the European sectoral social partners in the electricity sector – industriAll Europe, EPSU and Eurelectric – concluded in November 2021, the Green Deal **demands a European Just Transition Observatory** to oversee, coordinate and share experiences of the transition⁶.

While job-to-job transitions with high quality jobs is a priority for today's workforce, the way the transition is being managed will determine the future of young people and future generations. Over recent years, we have seen the young generation taking to the streets to demand more ambitious climate actions, as climate change is an existential threat to the life and wellbeing of society, which will affect every country. The transition pathway that adult generations are deciding to take today will determine the costs that future generations will have to pay - their living conditions, but also their employment opportunities and working standards. Policymakers, employers, trade unions and civil society organisations have a collective responsibility to **ensure that the transition meets the needs of young people**. It is crucial that we are listening to these demands and systematically involve them in the transition planning process.

Increasing the diversity of our industrial workforce is vital to guarantee the future of sustainable production in Europe. New ideas and inspiration are needed, and also a new leadership culture, creative collaboration and deeper reflection on how these changes impact on different groups in society and industry. While the twin transitions towards a more digital and decarbonised economy are well documented, the transition is also the opportunity to raise the need for a social transition towards a more inclusive and diverse labour market. It is increasingly clear that **inclusive companies are more sustainable and likely to financially outperform their peers**.

Gender imbalance is not only a problem of gender equality, it is also a problem of missed opportunities and under-utilisation of talents and resources, as set out in our joint recommendations to the World Manufacturing Forum in 2021⁷. It goes without saying, that in order to increase the participation of women in the labour market, supportive and enabling policies, including work-life-balance, need to be put in place.

⁶ On adaptation see ETUC research and resolution on <https://www.etuc.org/en/adaptation-climate-change>

⁷ https://worldmanufacturing.org/wp-content/uploads/02_Oyon-1.pdf

It is therefore particularly important to increase the participation of women in STEM (Science, Technology, Engineering, Mathematics) fields, not only through training, but also by ensuring equal career opportunities for women in industrial sectors. These considerations should be integrated into regional transition planning.

The challenges of the green transition are so great that they will require the best ideas and innovations of all genders and people in our societies – this demands an industrial strategy with diversity mainstreamed throughout. IndustriAll Europe believes that the European Green Deal should spark a business approach for greater diversity for more sustainable industries and resilient societies in the long term.

A coordinated and strategic industrial policy should support and accompany these industrial transformations and encourage investments in the greening and digitalisation of industry. It should also make the most of Europe's main strengths: a highly skilled and committed workforce and a social model in support of participation and competence development; social dialogue; and a well-developed standard-setting internal market.

By involving trade unions at every stage, the EU can make sure that the green and digital industrial policies are co-created and co-shaped by workers, rather than handed down from above. Industrial renewal and a thriving industry are only possible based on quality jobs and a constructive social dialogue at all levels. Workers' involvement, from the shop floor to strategic decision-making, is a key condition for a successful journey towards a sustainable, knowledge-based, resource-efficient and high-performance industry.



IndustriAll Europe demands

1. An updated EU industrial strategy, or similar industrial policies securing:
 - Transition pathways allowing democratic and participative policy planning
 - Access to affordable, guaranteed decarbonised energy, as well as strategic raw materials and components
 - Investments, public and private, in the transformation of industrial sites and infrastructures that deliver added value for society as a whole (including creating quality jobs)
 - Fair competition on EU and international markets, including when it comes to direct and indirect carbon costs and measures to mitigate their impact
 - The creation of lead markets for innovative products (e.g. through clear targets in EU initiatives on contracts for difference, public procurement)
2. Social dialogue and workers' participation in industrial policy making, since workers, as well as being impacted by industrial change, are also a vital source of innovation.
3. Review of the Energy Union Governance Regulation and introduction of the obligation for Member States to develop comprehensive Just Transition Plans in the context of National Energy and Climate Plans. There should be a mandatory involvement of trade unions through social dialogue.
4. A European Just Transition Observatory to monitor the implementation of strategies and the extension of the Just Transition Platform to cover the full scope of the European Green Deal.
5. Better involvement of young people in transition planning and listening to their needs, by providing the space and resources for young representatives to put forward their ideas. Young people must be given seats in structures and bodies that work on the anticipation and management of the green transition.
6. Ensure that the best ideas and innovations of all people in our societies are taken into account through an industrial strategy, with diversity and equality intentionally mainstreamed throughout.

b. Funding the transition today to avoid the cost of inaction tomorrow: inclusive governance needed

While a Just Transition is not free, the costs of poor transitions are much higher for individuals, regions and society at large. **The transition to net-zero cannot be achieved through budget austerity.** The EU climate targets require higher public spending in mitigation and adaptation measures. But potentially this investment will deliver long-term benefits and security to society, as even before the current energy price crisis, the average monthly value of EU imports in energy products rose from €20.1 bn per month in 2017 to €23.7 bn per month in the first semester of 2021. In times of strained national budgets, reformed EU fiscal rules must conciliate debt sustainability concerns with green spending needs and foster European solidarity. The macroeconomic rulebook of the EU must be progressively reformed to ensure the necessary investment capacity of Member States and the creation of locally produced decarbonised energy in combination with quality jobs.

Austerity will not deliver decarbonisation and digitalisation agendas in a fair and inclusive way.

Neither will EU industry be decarbonised within 30 years with a purely market-driven approach. Competition law and state aid rules must allow Member States and public authorities to better support industries on their specific path towards net-zero. Industry alliances and Important Projects of Common European Interest must accelerate the development of industrial value chains of strategic importance to reach the climate neutrality objective. At national level, state aids remain an important policy instrument to steer industrial transformation. Governments will have to support investments in low-carbon and smart technologies, support the creation of new value chains, and shape the demand side with price mechanisms and a supportive regulatory framework. Public procurement has a particularly strong role to play to ensure lead markets for new innovations and technologies. **Public funds and state aid should have social strings attached** to ensure job maintenance, good job creation and create added value for the whole society. The use of national instruments must not lead to unfair competition, deepening the gap between richer regions and those already struggling with social and economic challenges.

The regional dimension must be taken seriously, as the twin green and digital transitions (accelerated by the COVID-19 crisis) are exacerbating existing inequalities in Europe. The European Structural and Investment Funds should be geared much more closely to the requirements of the transformation than has been the case up to now. For example, investments should not only be made in R&D, but industrial companies should also be given concrete support in their transformation processes. Fairer taxation systems must be part of the recipe to ensure a redistribution of profits in the countries where they are made. Fairer redistribution is essential to ensure that investments take place across Europe and are not only concentrated in headquarter regions. A divided EU, with modern industrialised and high-skilled headquarter regions, and low-paid, low-skilled, technologically laggard peripheries, must be avoided, as this would lead to greater depopulation and the accompanying socio-economic inequalities.

This is more important in the context of persisting high youth unemployment in many EU Member States, which has been exacerbated by the social and economic consequences of the pandemic. On top of this come the uncertainties that young people are facing when entering the labour market today. Obviously, young people, like the generations before them, are expecting employment security, a future career perspective and quality living conditions.

With the uncertainties of industrial transformations, caused by the scale and speed of the transition, it is often not clear if the expectations can be met. For a sustainable future, young people also need access to quality vocational education and training (VET) and apprenticeships that lead to good quality jobs now. Without offering quality education and a sound professional start with life-long learning prospects to the young generation now, the transition risks being jeopardised by the lack of skilled labour tomorrow. We already see huge skilled labour shortages across Europe that are threatening the green transition.

The challenge is higher, especially in carbon-intensive regions and countries where depopulation and ‘brain drain’ are already the reality. Some regions are already facing the reality of depopulation due to the migration of mostly young and skilled workers, while at the same time gradually losing the basic infrastructure:

- For instance, Bulgaria is the country with the fastest declining population globally, as a result of young, qualified people seeking better living conditions abroad. Bulgaria has seen its population falling by 2 million since 1989, and forecasts expect another drop of roughly a quarter of its population by 2040.
- Croatia lost almost 10% of its population over the last decade.
- Between 2007 and 2015, around 3.5 million Romanians emigrated from the country. The population is projected to decline by 15% from 2020 to 2050 (falling from 19.2 million to 16.3 million).
- The challenges are also enormous in Southern European countries that have been struggling with high numbers of youth unemployment, and young people ultimately leaving the country for better job opportunities in other European countries.

Depopulation and ‘brain drain’ of young and skilled workers pose huge dangers to the sustainability of social security systems, and to the functioning of the labour markets and economies in these countries. Furthermore, as we are seeing in other regions, this may create a dangerous environment, where extreme and populist parties can flourish. For industriAll Europe, it is clear that a Just Transition must find solutions for the local level. Otherwise, we risk creating economic and industrial deserts, where nobody invests and where remittances from relatives living abroad become the main source of income. Migration must be a choice and not an economic necessity!

Therefore, we need a stronger EU Funding Strategy for Just Transition to better support the transition in Europe’s regions. With such a strategy, new and additional resources will strengthen and complement existing funds and programmes in a more transparent and coordinated system. The EU and Member States should **use the extraordinary ETS revenues created by the energy price crisis** to reinforce today’s Just Transition instruments. Next to the Just Transition Fund and other cohesion instruments, all available funds, including the EU recovery funds and the Innovation and the Modernisation Funds in the ETS, must be all directed at the same goal and follow a smart regional specialisation strategy. Support must be also given in the form of capacity building to plan the strategic uptake of means in line with the Just Transition target. Not all countries are equal in their absorption capacity, possibly slowing down the effectiveness of efforts to facilitate the conversion of a territory. By way of comparison, over the period 2014-2020, countries’ ESF absorption capacities varied greatly. The complexity and the differing sources of funding could threaten the social and territorial cohesion of the European Union if available funds are missing in less-endowed regions, but available to other already well-funded transition regions. The concrete application of the Territorial Just Transition Plans will be paramount – it would be tragic if funds made available for Just Transition did not reach those targeted as a result of bureaucratic deadlines or absorption capacity.

Trade unions must have a seat at the table, not a place on the menu. Over the past year, industriAll Europe has been closely monitoring how trade unions have been involved in the development of Territorial Just Transition Plans (TJTJs) and national recovery plans linked to the Recovery and Resilience Fund (RRF) (see also the mapping developed by Syndex which accompanies this manifesto). Despite the partnership principle, which must be applied when developing TJTJs, many of our trade unions reported not being involved, or criticised the lack of transparency in the development of TJTJs:

- In Bulgaria, for instance, trade unions report not being allowed to review reports drafted by PWC Bulgaria, backing TJTJs. This is due to the contract signed with PWC that is still under the Borrisov Government on the non-disclosure of the reports. In effect, this excludes anyone, except the Bulgarian Government and the Commission, from reviewing these reports, thus fundamentally undermining the effectiveness of the partnership principle.
- In a few Member States, unions have been involved by their governments through meetings in working groups. A survey of trade unions undertaken together with the ETUC in Summer 2021 found that 10 out of 21 responding trade unions have not been involved so far, and in 7 Member States, involvement was assessed as superficial, with no proper stakeholder consultation process in place (due to urgency, pandemic, political reasons, etc.). 7 responses point to a lack of will from national/regional authorities to consult unions. In the countries where consultations did take place, our members also reported a mixed picture about taking union inputs into consideration.

We also identified a lack of transparency in the context of the developments of national recovery and resilience plans, which have a crucial role in the Just Transition jigsaw. Social partners have not been systematically consulted in all regions and countries, and therefore it is unclear to us at this stage if the national plans will result in concrete projects supporting the transition. Fundamentally, workers should be co-designing their futures, according to the rhetoric of the European Commission, but all too often they are being side-lined at the crucial design stage.



Therefore, to achieve the aim of a Just Transition, the partnership principle (established for cohesion funding) should be extended to and enforced in all relevant funding targeted at the Just Transition, including the Innovation and Modernisation Fund. Trade unions should be closely involved in the respective programme developments, monitoring and assessment, in order to ensure funding uptake is linked to the safeguarding and creation of quality employment.

IndustriAll Europe demands

1. A reform of the EU economic governance to make it supportive of decarbonisation and Just Transition, as well as fair taxation and energy pricing policies.
2. A competition law and state aid rules framework that supports our net-zero ambition.
3. An EU funding strategy for Just Transition to better support the transition in Europe's regions. The EU and Member States should use the extraordinary ETS revenues created by the energy price crisis to reinforce Just Transition instruments.
4. A stronger alignment of the European structural and investment funds to the requirements of the transformation, in that industrial companies can be specifically supported in their transformation processes with the financial means.
5. The partnership principle must be extended to cover all relevant funds, going beyond cohesion funds. Trade unions must be systematically involved, which requires a stronger governance and monitoring of stakeholder involvement. Moreover, absorption of funding must be addressed to ensure that funds reach those workers and the communities targeted.
6. Social conditionality on EU funds to ensure that they support high quality jobs, including mandatory quality criteria on the offers that people receive for quality apprenticeships, training and jobs (limit short-term and precarious contracts, ensure decent pay and access to training).
7. Ensure that Just Transition plans at all levels are inclusive and subject to gender and workforce diversity evaluations.

c. Stronger collective bargaining and social dialogue: the foundation of a Just Transition

Collective bargaining is a trade union's core business. It is both the fruit of previous struggles and a tool for defending and widening past gains. It gives workers a single voice, securing fair wages and preventing the most vulnerable from falling into precariousness and poverty. **Negotiating better working conditions for our members benefits society as a whole.** It is the foundation on which Just Transitions are built in practice.

The power of collective bargaining to regulate labour markets and to ensure a more equal income distribution has long been proven in European countries. Sector-level collective bargaining is a strong feature in the industrial sectors represented by industriAll Europe, with wage solidarity between workers as its cornerstone.

As OECD data confirms, in countries with national and sectoral collective bargaining, employment rates tend to be higher and unemployment lower than in countries with decentralised bargaining. It also recognises the role of social partners in tackling the transformations of industry, arguing that collective bargaining can indeed ensure that all workers and companies, including small and medium-sized enterprises, reap the benefits of technological digitalisation, organisational changes and globalisation.⁸

Unfortunately, **many policymakers underestimate and undermine the vital role that collective bargaining plays**, while the benefits of collective agreements are often taken for granted, especially in countries with strong industrial relations systems. We deplore the lack of knowledge of the importance of industrial relations systems and their crucial role in democratic societies. Through collective agreements, unions have been able to guarantee decent employment and stability in workplaces that extend to all workers and benefit society as a whole.

Today, many European countries need to build or rebuild their collective bargaining systems in order to make sure that a large majority of workers will (again) enjoy the protection of collective agreements. As industriAll Europe's affiliated organisations across Europe report, collective bargaining systems have been under increasing pressure over the last decades. The 2008-2009 financial crisis and its harsh political management have accelerated this trend. In the countries under Troika programmes, collective bargaining structures, and mechanisms aimed at extending collective agreements to all workers in a sector, have simply been dismantled. This had strong spill-over effects on other countries which translated into changing labour codes and union representativeness thresholds. There has also been a decentralisation of collective bargaining and trade union busting within companies, as shown below:

- In **Poland**, trade unions report union busting and breaches against workers' fundamental rights to form a union and to collectively bargain. Legislation facilitates the fragmentation of employers' organisations, preventing collective bargaining at the sectoral level. For example, there is no social dialogue in the energy or automotive sector, due to a lack of a sectoral employer organisation, making it impossible to negotiate job transitions.
- In **Romania**, as a result of the intervention of the Troika and of the lobby of multinational companies, social dialogue law was reformed in 2012. Before the reform, the law obliged employers to negotiate at sectoral level (similar to the Swedish law), but the reform made sectoral bargaining impossible and abolished cross-sectoral bargaining. Effectively, no sectoral agreements have been concluded since the law came into force. It also undermines workers' fundamental right to strike.

⁸ Negotiating Our Way Up: Collective Bargaining in a Changing World of Work, OECD, 2019

- In Slovakia, 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. Also here, collective bargaining has been decentralised. Without a reform that facilitates sectoral bargaining, a Just Transition will not be possible.
- In the **Czech Republic**, the government has weakened the sectoral social dialogue, so that the conclusion of sectoral agreements is impossible. Employers (especially of multinational companies) refuse to negotiate at any other level than the company one and engage in union busting practices.
- In Finland, the employers in the forest industries announced their plan to withdraw from national collective bargaining. 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**, trade unions report cases in which employers are taking advantage of the COVID-19 situation to divide the workers within the same companies, with certain entities covered by a collective agreement, while others are not. In some branches, the employers categorically refuse to negotiate and, therefore, do not propose any re-evaluation of wages, even though they received state aid since the beginning of the pandemic. Collective bargaining is a right and not just an option.
- In Greece, the bailout programmes set in place after the previous financial crisis dismantled a collective bargaining system, resulting in bargaining coverage falling from around 80% in the pre-crisis period to 17.8% in 2016. The change benefited business, but pushed workers into unemployment, low-paid and precarious work, as well as in-work poverty. Moreover, the Greek government has recently passed a highly controversial labour law, increasing working time and limiting workers' fundamental right to strike.
- In **Hungary**, the new labour code introduced in 2012 includes very flexible overtime, more fragile posting of workers, unfair dismissals, and regulation which weakens the rights of trade unions at the level of enterprises, etc. Updated legislation also violates the fundamental right to strike. The new 2018 working time legislation allows for 400 hours of overtime annually and the possibility to delay pay for up to three years. Workers risk being fired if they do not accept the overtime hours. Social dialogue and collective bargaining are dysfunctional, as the government refuses to inform and consult the trade unions that are not politically close to FIDESZ, Viktor Orban's ruling party.
- In **Belgium**, trade unions have launched a petition against the Belgian law limiting wage bargaining. Belgium is one of the few remaining countries where wages are indexed to inflation. Employers are aggressively pushing for an indexation freeze. On top of this, in 2022, the coalition government proposed a reform and has so far bypassed the trade unions.
- In the **Netherlands**, FNV and CNV have had to resort to industrial action on several occasions recently, in order to reach an acceptable collective agreement.

These examples are alarming, as governments act in breach of the principles of the European Pillar of Social Rights and fundamental ILO core standards – the latter being key elements in the ILO Just Transition Guidelines. If a Just Transition is a priority for the EU and plays high on the Green Deal agenda, how is the European Union going to tackle the employment transition without effective legislation supporting collective bargaining and worker participation? What is clear is that both the European Pillar of Social Rights and the Council Recommendations on the social and labour aspects of the transition to climate neutrality look nice on paper, but they are unlikely to impact the practices on the ground. Bearing in mind the high investment costs that companies have to make to achieve the transition to net-zero, it is even more likely that pressure on employment standards and wages (and hence on collective bargaining with unions) is going to increase.

In the transition to net-zero, a pure focus on the quantity of job creation would not bring justice if in-work poverty and inequality, economic insecurity and precarious work continue to grow, and those who lose their jobs through the transition are forgotten! The existence of strong collective bargaining will be crucial to guarantee quality employment conditions in emerging sectors and new businesses created during the transition.

Guaranteeing quality employment will be indispensable given that traditionally carbon-intensive sectors offered high wages and employment conditions. Only through effective collective bargaining can we guarantee that jobs that will be lost because of the transition will be compensated with good, unionised jobs of equal quality!

This idea is a key principle of the final recommendations of the Commission for Growth, Structural Change and Employment in Germany that negotiated the coal phase-out in Germany⁹. The idea of using sectoral collective bargaining agreements as a basis for setting basic minimum labour standards is also promoted in the recent report by the Scottish Just Transition Commission¹⁰.

Unfortunately, the Draft Council Recommendation on addressing social and labour aspects of the just transition towards climate neutrality, proposed by the Commission in December 2021, barely mentions collective bargaining and does not even offer any strong recommendation on reinforcing collective bargaining.

It is important to point out that good practices of collective agreements, which proactively anticipate the changes of the workforce, already exist:

- In 2021, our Italian affiliated trade unions, Filctem-Cgil, Femca-Cisl and UILTEC, concluded a collective agreement with the oil group ENI on generational renewal and reskilling of its workforce in line with its decarbonisation strategy. The procedure of ENI is part of the Italian 2021 finance law that aims to foster generational renewal in large companies.
- In June 2021, industriAll Europe and Safran reached a European Framework Agreement on skills development and safeguarding of career paths throughout the transition, applicable to all employees of the group in the EU, Switzerland and the UK. The Agreement is based on the anticipation of skills needs, training, and the support of professional mobility. The Agreement fixes, for the first time, a quantitative objective for training. Finally, in case of difficulties which may have consequences for employment, measures for adjustment and support will be put in place in order to encourage the job retention of the employees.
- In 2021, the UK trade unions, Unite and Prospect, signed a collective agreement with energy company SSE, extending existing collective bargaining arrangements to staff on the renewables side of its business.
- In Germany, the recent agreement for the metal and electrical industries, concluded by IG Metall, shows solutions for safeguarding jobs and securing quality employment in the transforming industries. To safeguard employment, companies in crisis can convert the extra transformation pay won by the union in the current agreement into time off. A four-day week with partial wage compensation is also possible. To secure the future, IG Metall has enforced framework rules for future collective agreements in the plants, in which, for example, investments, personnel requirements and qualifications for the work of the future are negotiated.
- The reduction of working time as a solution to safeguard quality employment in times of crisis and change is also implemented in other countries, like Spain. The Spanish Government has agreed to launch a pilot project for a four-day week (32 hours). The shift has no financial impact on the companies or workers concerned, as the state will cover the wage cost of the working time reduction through a special allowance. The government will also support reorganisation of production and digital changes at companies in order to increase productivity. A budget of €50 million has been allocated to the efforts.

⁹ Commission on Growth, Structural Change and Employment – Final Report, January 2019, p.70

¹⁰ Just Transition Commission: A National Mission for a fairer, greener Scotland, March 2021, p.45

Furthermore, **in countries with a well-functioning social dialogue and collective bargaining structure, young people have better access to quality apprenticeships and jobs**, and they get a chance to participate in Just Transition processes:

- In Germany, the new ruling coalition took up a long-time trade union call to create an ‘apprenticeship guarantee’, whereby every young person who so wishes would be guaranteed an apprenticeship in a company or in a training establishment outside the company. This is their response to curb the shortage of skilled labour, which otherwise ultimately jeopardises its climate ambitions.
- The German example is inspired by Austria, where since 2008, young people unable to secure a training place in a company have been able to complete an apprenticeship at an external training centre. But even with this system, trade unions estimated a 20%-30% shortage of apprenticeship places in autumn 2020. Whilst the Austrian government offers incentives for employers to recruit and retain apprentices after training (employers receive a bonus of €1,000 for recruitment and an additional €1,000 for retainment), this is not enough for the unions. In their campaign ‘*Youth without a job*’, young trade unionists demanded an increase in the number of apprenticeships and the creation of an emergency fund for apprenticeships.
- In France, the social partners in the metal sector signed a branch agreement that encourages the hiring of young people through a solidarity system of end-of-career adjustment. The system foresees that for every two departures, one young person is hired. This is a good instrument for securing quality employment and ensuring skilled labour.
- Similar agreements exist in Italy at company level, like in the oil group ENI, which combines early retirement and new hiring. Through this agreement, 900 workers may take voluntary retirement, whereas 500 new workers will be hired in order to facilitate the transformation to low-carbon emissions by introducing new skills. This is part of the Italian 2021 finance law that aims to foster generational renewal in large companies.
- In Denmark, young unionists are very involved in the Youth Climate Council established by the climate minister, which discusses among others how to ensure a Just Transition.

Today’s young generation is not a lost one, it is the highest-skilled generation that we have ever seen. Young people must have equal chances and prospects for a net-zero future that offer quality vocational education, training and employment. Therefore, industriALL Europe is committed to supporting a generational renewal and will step-up efforts to recruit and organise young people, and to integrate them in the labour movement structures.



In the context of the European Green Deal and strengthened climate ambitions in Europe, the EU and all European governments should be guided by these examples and **take strong measures to support social partners in their efforts to negotiate solutions** that mitigate potential negative employment consequences and guarantee high quality jobs throughout the transition. Therefore, strong and effective labour law, in support of strong social dialogue at all levels, and strong collective bargaining systems, need to be put in place. We call upon the European institutions to reinforce and implement the European Pillar of Social Rights and to endorse solid commitments to promote collective bargaining and extend collective bargaining coverage in all Member States, as proposed by the European Parliament in the context of the Minimum Wage Directive.¹¹

IndustriAll Europe demands

1. Reinforcement of the social dimension of climate policies and the Fit for 55 legislation with strong workers' rights to effective collective bargaining and to join and form a union. For this purpose, DG Employment must play an active role in developing the Green Deal legislation. Equally, in the European Parliament, the Employment and Social Affairs Committee must be part of the legislative process and scrutiny.
2. Add social conditionality, in terms of collective bargaining commitments, to EU and national funds supporting a Just Transition.
3. Endorse the strengthening of collective bargaining and increase collective bargaining coverage, as proposed in the European Parliament's report on the Draft Minimum Wage Directive.
4. Build, rebuild and strengthen social dialogue and collective bargaining structures at all levels, but especially sectoral level, across the EU and particularly in those countries where the well-functioning systems have been destroyed by the austerity measures imposed after the 2008-2009 financial crisis.
5. Fully implement the ILO conventions and Council of Europe decisions on the right of access to collective bargaining in all Member States, and for all workers.
6. Support regulatory frameworks for sectoral and cross-sectoral collective bargaining.
7. Include clauses that ensure that public procurement requires companies to engage in collective bargaining.
8. Use the European Semester Cycle, the European Pillar of Social Rights and the Multiannual Financial Framework to force governments and social partners to put in place well-functioning collective bargaining structures.
9. Allocate dedicated EU and national funding for capacity building for social dialogue and collective bargaining.
10. Support the establishment of sectorally-adapted life-long learning measures via collective agreements.

¹¹ In its report on the Minimum Wage Directive, the European Parliament proposes that Member States in which collective bargaining coverage is below 80% should take active steps to promote it, by setting up national action plans to reach the 80% target in consultation with the social partners

d. Anticipating and shaping the change: Just Transition demands a toolbox of workers' rights and companies' duties

The **transition to decarbonised industries will ultimately be implemented at company level**. Decisions will need to be made, from shopfloors to corporate boardrooms, to adapt production processes, investment plans, work organisation, companies' organisation, including their relationship with both upstream and downstream subcontractors. The impact on workers across Europe and all along the supply chain will thus be of a very direct nature.

In a genuine democracy, people directly affected by a decision must be allowed to take part in its making. An inclusive and just transition can only be achieved if workers and their representatives have their say in any decision a company may make which could impact their health, working conditions, income, jobs and employability.

When corresponding rights are properly applied and complied with, **workers' involvement in the strategic decision-making process of their company at local, national and European levels** plays a crucial role in protecting workers' rights, quality employment, ensuring companies' long-term sustainability and fair anticipation and management of change. Unfortunately, the existing European tools have proven ineffective in securing workers' voice in corporate decisions and the adoption of a genuine, forward-looking outlook by companies. Anticipatory approaches by companies are too often lacking, as **strategies based on short-term maximising of profits continue to prevail** at the expense of proactive long-term industrial, skills and jobs planning.

Workers' involvement remains a pure formality, if it takes place at all: there is no trade union or worker representatives' involvement in less than one third of restructuring cases in Europe¹². Violation of fundamental rights of workers to be informed and consulted before a decision is made, and for their trade unions to negotiate fair and sustainable responses, tends to become the norm. Half of European Works Councils are consulted too late, i.e. after their management has made their restructuring decision public in the press. And in most cases, that consultation bears no fruit, as it leads to no changes in the company's decisions¹³.

At a time when social dialogue at the workplace is needed more than ever to support a fair and inclusive transition, in practice, worker and trade union representatives' involvement in strategic decisions is very limited, or even non-existent. The political response cannot lie in proposing non-binding instruments like guidelines or handbooks. Soft measures, such as the EU Quality Framework on Restructuring, or the "comply to obligations or explain why not" principle included in several EU laws, triggered no observable change in business conduct.

Instead, **Just Transition demands a real toolbox of rights and legal obligations** to secure that:

1. **Companies pursue long-term, sustainable strategies.** Irrespective of their size, sector, or legal form, and with the full involvement of trade unions and worker representatives, all companies should adopt a Just Transition plan to ensure that their operations and their supply chains are compatible with the EU Green Deal targets.

¹² European Commission (2018) Study monitoring the application of the EU Quality Framework for anticipation of change and restructuring, p. 53.

¹³ COM (2018) 292 final, p. 6; European Commission (2016) Evaluation study on the implementation of Directive 2009/38/EC on the establishment of a European Works Council. Final report, p. vi and p. 104; European Commission (2018) Stocktaking report on the application of the EU Quality Framework for anticipation of change and restructuring, p. 20

- 2. Companies provide guarantees for the future of jobs and sites.** In addition to emission reduction objectives, the Just Transition plan shall specify the accompanying social measures aimed at promoting employment and quality jobs throughout the transition, including addressing strategic jobs and skills planning and related training policies. To mitigate the social consequences of the Just Transition plan, companies should look for all alternatives and exhaust all options before resorting to forced redundancies or plant closures, in constant dialogue with trade unions and worker representatives. When unavoidable, new guarantees shall be provided to workers in all countries, including a right to reinstatement for dismissed workers and the obligation for the company to look for a new site owner or a reindustrialisation plan, together with the relevant public authorities. Social conditionalities should be attached to public funding available to companies, including a ban on the relocation of activities outside the EU when the company has benefitted from EU funds.
- 3. Companies fully involve trade unions and worker representatives in designing, implementing and monitoring Just Transition plans, from the earliest stage.** Decarbonisation must be recognised as a topic for social dialogue at company level. Alongside France's new Climate Law, trade unions and local, national, as well as European Works Councils shall be informed and consulted on how the company intends to combat climate change. Before any final company decision is taken, workplace representatives must have:

 - timely access to meaningful and comprehensive up-to-date information about the likely adaptation of the company strategy to decarbonisation and the consequence on the company's economic performance, jobs and working conditions;
 - enough time and resources to run an in-depth assessment of the information provided with the support of economic/financial experts, to work on alternatives to measures which would negatively impact workers, including redundancies or plant closures;
 - the genuine opportunity to discuss those alternatives with real decision-makers, including top management and board members (if any), who must provide a motivated response to the proposed alternatives and justification for the final decision which will be made;
 - the guarantee that non-compliance with workers' rights warrants deterrent sanctions, in particular the suspension of any business plan or restructuring project, until proper information and consultation procedures have been completed. Moreover, clear procedures must be set for worker representatives to seek redress before the courts.

Although these demands are tailored to combat climate change at company level, none of them are really new. In January 2013, after three years of the major financial crisis, Spanish Socialist MEP, Alejandro Cercas, presented a unique proposal to the plenary chamber in Strasbourg. Using the new parliamentary right to initiative legislation (TFEU article 225), he presented a draft legislation on the information and consultation of workers, anticipation and management of restructuring, better known as the 'Cercas report'. The proposals set out measures to anticipate change, ensure the sustainability of the company and employability of the workforce, as well as the need for detailed social plans in cases of restructuring with clear roles for all stakeholders (social partners, public authorities).

It is high time that the EU Commission put forward a proposal for a European legal framework on the anticipation and the management of change, drawing inspiration from the Cercas report. This would be a stepping-stone towards a more resilient and sustainable European economy and society – turning Just Transition from rhetoric to reality.

IndustriAll Europe demands

1. An EU legal framework for the anticipation and management of Just Transition at the company level, inspired by the 2013 Cercas report, including mandatory rules on timely and quality information, consultation and participation of trade unions and worker representatives at local, national and European levels, as well as social guarantees for workers.
2. Mandatory Just Transition plans to be adopted by all companies, with the full involvement of trade unions and worker representatives. The corresponding proposal contained in the draft EU directives on corporate sustainability reporting and due diligence must be substantially improved, including a broader scope and detailed requirements about the industrial, economic and social dimensions of the plan.
3. Social conditionalities attached to national and EU funds that benefit companies to ensure that their industrial strategies respect workers' rights.
4. The creation of specific mandates for Just Transition shop stewards within companies, equivalent to occupational health and safety representatives, with the right to specific training if needed and involvement in corporate transition planning.



e. Tackling new skills needs and a right to quality training and life-long learning for every worker to support the Just Transition

Reaching carbon neutrality by 2050 will require both the planning and suitable framework conditions to support job-to-job transitions, including the necessary reskilling and upskilling of the current workforce. It also requires investing in and boosting our education systems to develop the new training programmes needed to deal with changing and emerging job profiles in new breakthrough technologies, digitalisation (which is directly linked to the net-zero transition) and new business models.

The **challenge is staggering**. The changes within automotive manufacturing are indicative of what European industry is facing: the emergence of completely new job profiles and the need to massively step-up training programmes to meet the growing demands. According to the European Battery Alliance, 800,000 re/upskilled workers are needed to reach the EU's battery ambitions, while BCG research for the European Electromobility Platform estimates that 2.4 million automotive workers will need to be retrained by 2030.

If **training for young employees is vital, training for older employees and more generally for employees throughout their working lives is indispensable**. If employees over the age of 45 stop training, then we create the conditions for long-term unemployment and a loss of skills for employees who are frustrated by their professional situation, while the retirement age is being pushed back everywhere.

What is more, **new skills will be needed within existing occupations**. According to the European Commission, the task profiles for electro-engineering workers, machine and plant operators, other manufacturing workers, researchers and engineers, as well as science and engineering technicians, will considerably change in the course of the net-zero transition. Moreover, key competences – such as science, technology, engineering and mathematics (STEM) and digital skills - will be needed across the board to cope with the upcoming technological changes in general. Green skills, which have emerged in recent years, such as waste/recycling management, energy efficiency engineering, eco-design, etc., will become an even more necessary asset for industrial companies. Transversal soft skills, such as analytical and cross-sectoral thinking, teamwork, innovative spirit and the ability to learn, for instance, are equally needed, and should not be overlooked.

During the Just Transition discussions with our affiliated trade unions at regional level, **skills shortages that already exist today were identified as a key concern**. Today, many of our industries are concerned about strategic skills shortages – which are as crippling a gap as the lack of semiconductors or raw materials. It is not an exaggeration to state that skills shortages could short-circuit the green and digital transitions unless urgent measures are taken.

This calls for a comprehensive strategy to attract and qualify new workers to decarbonising industries, including the necessary flanking measures to attract and retain women in industry (as laid out in our Women in Industry work in the World Manufacturing Forum¹⁴).

¹⁴ <https://worldmanufacturing.org/women-in-manufacturing/>

Education and training policies continue to fail to reach those most in need, i.e. low-skilled workers, women, older workers, part-time workers, workers in non-standard employment (self-employed, platform workers...), workers in SMEs along the supply chain, single parents, not to mention the specific situation of young people: in 2020, ca. 14 million young people (17.4% of 20-34 year-olds) were neither in employment, nor in education and training in the EU¹⁵.

In that context, it was concerning to see that in the course of the recent COVID-19 pandemic, companies cancelled apprenticeship positions and reduced training budgets, which is likely to exacerbate the risk of future skills shortages.

Fundamentally, as argued throughout our Just Transition Campaign, **we need an EU legal framework for the anticipation and management of the Just Transition** which recognises the vital role that information, consultation and participation of workers, as well as collective bargaining, play in anticipating change and changing skills needs. Such an EU legal framework must ensure that skills intelligence – the anticipation of skills requirement - is strengthened through strategic skills and jobs planning in every company, every region and every sector, with the full involvement of the social partners, VET providers and public authorities, which are best placed to accompany structural changes.

That was again the spirit of the 2013 Cercas report, which recommended introducing the duty for companies to design long-term employment and training strategies in consultation with workers' representatives. In addition to such mandatory company-level skills planning, an EU legislative framework on anticipation and management of the Just Transition must address new rights: Every worker must have an **individual right to training and to paid educational leave**. Life-long learning opportunities at all stages of career are key to prevent erosion of skills and to support the employability of every single employee throughout industrial transitions. Guarantees must be provided that employee training is of a good enough quality, meaning that it focuses on the learning outcomes, and leads - whenever possible - to a qualification that is validated through transparent and clear recognition and certification systems which allow for comparability.

At the same time, it is important that **these measures are integrated into a larger Just Transition Framework** comprising all policy levels supporting the transition. Training and qualification policies most critically must be an integral part of industrial strategies at all levels. Without a comprehensive industrial strategy, leading to the maintenance and creation of quality jobs, all well-intended skills policies will be doomed to fail. Indeed, regional strategies based on **granular employment mappings and skills forecasting at regional level will be key** to determine the jobs that will be lost, new employment potentials, corresponding skills needs and tailor-made re- and upskilling programmes.

Unprecedented efforts have been made to increase the opportunities and amount of EU funding available for skills development across Europe (e.g. through the ESF+, Erasmus+, NextGenerationEU programmes, Recovery and Resilience Facility). The Member States must use those funding programmes and dedicate them to their national and regional skills strategies. It must, however, be emphasised that investment in training is not purely a task of the public authorities. **Employers have a responsibility and natural interest in investing in maintaining a skilled workforce.**

Worker information, consultation and participation, as well as collective bargaining, are the best instruments at hand to plan the transition of industries. Good practices exist, as illustrated above.

The European Framework Agreement on the development of skills and safeguarding of career paths, that industriAll Europe signed with aircraft equipment manufacturer Safran, in June 2021, offers an excellent example of management of change at European level.

¹⁵ Source: [Eurostat's statistics on young people neither in employment nor in education or training](#).

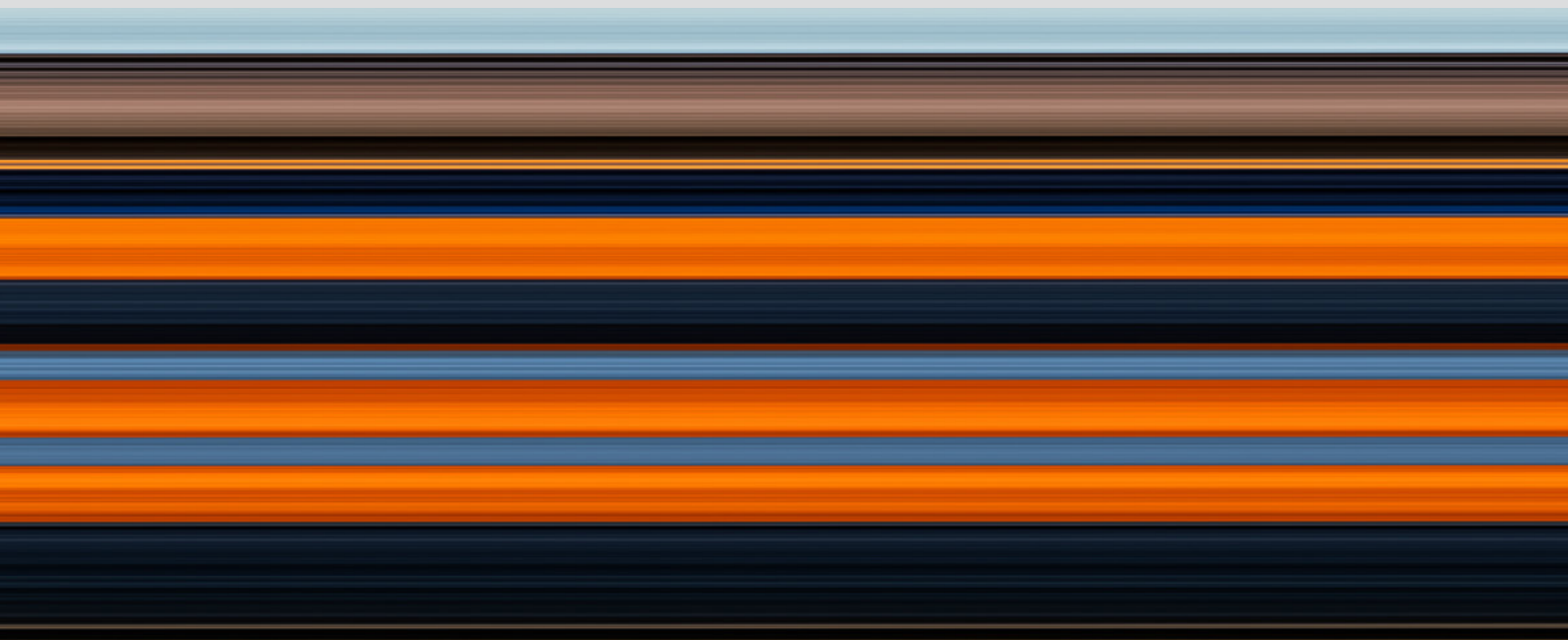
The Agreement sets out common principles for all the companies in the group, with the objective of developing and maintaining skills at the highest level, stimulating career development and guaranteeing employability for all. It is based on the anticipation of skills needs, training and the support of professional mobility. The Agreement fixes, for the first time, a quantitative objective for training. Finally, in case of difficulties which may have consequences for employment, measures for adjustment and support will be put in place in order to encourage the job retention of the employees.

Furthermore, in order to support just transitions, which is the key to their success on the ground, managers must be prepared through training. Finally, we should not cultivate optimism, by deluding ourselves: there will inevitably be workers who will not find a job. They must not be forgotten in society's plans.

IndustriAll Europe demands

1. An EU legal framework for the anticipation and management of the Just Transition, inspired by the 2013 Cercas report, including an individual right to training and life-long learning, and the obligation to develop strategic jobs and skills planning at both company, sector and regional levels, with the full involvement of trade unions and worker representatives.
2. Involvement of the trade unions in the European, national and regional governance on skills strategies for the green economy. Social partners play a key role in defining skills needs, updating qualification profiles, and providing guidance to workers.
3. Rights for every worker to job-to-job transitions, through law or collective agreement according to national practice.
4. Granular employment mapping at NUTS 3 level to allow the identification of workers and their skills to allow job-to-job transitions and upskilling pathways.
5. Companies invest in a future-proof skilled workforce and keeping skilled workers in the company. Member States must reap all the available opportunities of EU funding for national skills strategies to step up sustainable public budgets for life-long learning.
6. Swift adoption of the proposed Council Recommendation on learning for environmental sustainability.
7. A swift implementation by all Member States of the already adopted Council Recommendations on key competences for life-long learning; on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience; and on a European framework for quality and effective apprenticeships.

3. Conclusions



Climate change is happening, and we have limited time to avoid the worst scenarios according to the latest reports from the Intergovernmental Panel on Climate Change (IPCC), which will hurt workers and the most vulnerable in society and the world the hardest. Decarbonisation must lead to transformation, not de-industrialisation – the market alone will not deliver this.

In supporting the European Green Deal, European leaders are committed to a Just Transition. This cannot be achieved through political marketing and bombast. We urgently need that rhetoric to turn into concrete plans and action, as every one of our members and sectors will be impacted by the decarbonisation of our economy and society, and adaptation to climate change.

Bridging the investment gap in order to accelerate the roll-out of the required technologies and infrastructure, maintaining European industrial leadership in strategic technologies and value chains, and creating good quality jobs across our continent, demands a social and industrial policy commensurate to our climate ambitions. While transitions will happen locally in regional economies and workplaces, there is much that can be framed by common policy objectives and the exchange of good practices. The market cannot and will not deliver. Negotiated transition pathways to 2050 for all industries, with realistic interim goals, are vital to frame actions at different political, geographical and industrial levels.

It is time to put the rhetoric about Just Transition into action. Therefore, we call on politicians and employers to join us by engaging in the demands set out in this manifesto and finding routes to achieve them in practice across Europe.



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