

Executive summary on “Retirement and Support Packages for Older Workers in the EU Coal Sector”.



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This report examines early retirement schemes in the European coal sector, focusing on four European countries: Poland, Germany, Czechia, and Spain. The goal is to identify initiatives designed to support older workers in closing or soon-to-be-closed coal mines, as well as to facilitate the socio-economic transition of local communities. The study highlights the importance of integrating early retirement schemes with broader strategies and policies, including welfare provisions and investments in economic diversification.

Key Findings:

1. **Integration with Welfare Provisions:** Successful early retirement initiatives are integrated with welfare provisions, as demonstrated by the German social security system. This integration ensures that older workers are financially supported and socially protected during their transition.
2. **Combination with Economic Diversification:** Combining early retirement measures with investments in economic diversification, such as supporting new technologies and sectors like tourism and clean tech, helps offset the financial burden on public finances and supports local economic transformation.
3. **Active Labor Market Policies:** The combination of passive policies, like early retirement schemes, with active labor market policies, including reskilling programs, is crucial for enhancing local skills and preventing the waste of human resources.
4. **Historical Context:** The initiatives supporting mine workers' transition have a long history in these countries. Earlier measures were aimed at economic restructuring and addressing the lack of competitiveness, while recent initiatives are driven by environmental objectives, in line with the European Green Deal and global sustainability goals.

Country-Specific Highlights:

- **Poland:** Poland has a history of measures supporting mine workers' transition, with a focus on economic performance, overproduction, and an oversized workforce. Early retirement schemes, redundancy payments, and welfare allowances have been key features. Challenges include dependency on coal, high wages in the mining sector, and concerns about supporting unprofitable and polluting industries. Despite these challenges, there has been a significant reduction in coal mining employment, an increase in labor productivity, and the beginnings of economic diversification.
- **Czechia:** Czechia has a tradition of initiatives dating back to the early 1990s, primarily aimed at facilitating the transition to a market economy. Early retirement provisions, financial compensations, and active measures for retraining have been implemented. Challenges include coal dependency, low worker skills, and existing privileges from the communist era. These initiatives have resulted in a reduction of coal mining jobs, though reallocation of workers has proven difficult.
- **Germany:** Germany has a long history of initiatives dating back to the 1958 coal crisis. Early retirement schemes, partial retirement, and retraining programs have been key features. Challenges include employment losses not being fully compensated and outwards migration from regions with dismissed mines. However, regeneration of sites with innovation, new purposes, and reinforced tourism has been observed.
- **Spain:** Spain has introduced a series of coal plans and early retirement schemes, providing support to workers aged 54 or older with a certain level of seniority. Grants for setting up businesses, training, and public investments have accompanied these initiatives. Challenges include inadequate public funding, negative socio-economic impacts, and concerns about the generosity of support schemes. However, these initiatives have safeguarded the standard of living of workers and their families, improved environmental conditions, and promoted renewable energy sources.

Concluding Remarks:

The examined early retirement schemes in these European countries are part of a broader strategy to support older workers in coal regions and facilitate socio-economic transition. While challenges persist, these initiatives have played a crucial role in managing the decline of coal mining and promoting a just transition towards more sustainable and environmentally friendly economies.



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