

CONFERENCE MILAN
2-3 February 2023

 **industriAll**
EUROPEAN TRADE UNION



BARGAINING

FOR A

JUST TRANSITION

IN TIMES OF

COST-OF-LIVING

AND

ENERGY

CRISES



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Concept note

Introduction

The past year has been marked by protests, demonstrations and intense collective bargaining across Europe as trade unions have been fighting to protect their members. With inflation at levels never experienced in 40 years, real wages have fallen precipitously across the continent. In-work poverty is exploding, as the cost-of-living crisis is squeezing both the lower and middle classes. Inequality is also booming. Record profits for big business are going into shareholders' pockets and not into the much-needed investments for the twin green and digital transition.

There is no doubt that we are experiencing an extraordinary situation. The war in Ukraine shattered the hopes for a fast and peaceful recovery after the COVID-19 pandemic, plunging Europe into the current energy and cost-of-living crisis that threatens to jeopardise the twin transition. It is difficult to anticipate how long the high levels of inflation will last, but we are far away from a return to the very low levels that we have been used to during the past years. For trade unions, the pressure to protect their members' purchasing power is growing, as recent wins in collective bargaining are at risk of being eaten away by inflation.

In this exceptional context, industriAll Europe's members are meeting to discuss the strategy of the industrial trade unions' movement to tackle the challenges of **'Bargaining for a Just Transition in times of cost-of living and energy crises'**.

When and where?

The Collective Bargaining and Social Policy Conference will take place over the course of one and a half days, on **2 & 3 February 2023 in Milan, Italy** (*Hotel Melia Milano, Via Masaccio 19, 20149 Milan*). The participants will have the opportunity to exchange on the main aspects of the current, complex crises and the twin transition in the frame of **four panel discussions and four working groups**.

How?

1. Four panels to define our trade union strategy against the current crises and in view of the twin transition

I. Panel: Bargaining for fair wages & fair working conditions in times of crisis: the reality on the ground

The spiralling cost of living throughout Europe is creating an economic and social crisis, the likes of which many Europeans have not experienced in their lifetime. Inflation is skyrocketing across the continent, fuelled by huge increases in the price of fuel, food and essential goods. As a result, workers' purchasing power is being eroded. Over half of European households say they now struggle to make ends meet. Low-income workers and vulnerable groups are being hit the hardest, but middle-class living standards are quickly deteriorating, too.

With the campaign “Together in Action for Higher Wages”, we have called for wages to be raised in line with inflation and productivity gains. We have also called for anti-crisis measures, as public policy measures were much needed alongside the wage policy to tackle the root cause of the cost-of-living crisis and deal with the consequences of the energy crisis in industrial workplaces.

The collective struggle has paid off for some, as a number of our members have scored some important achievements over the past months, with collective agreements winning significant wage increases in Austria, Germany and the Netherlands. But in many countries, the mobilisation continues, like in Belgium, France and the United Kingdom.

In the current context of volatile inflation and unstable energy and basic goods prices, trade unions need a strategy to tackle this extraordinary crisis. Even though there is some optimism that inflation might have peaked in Europe at the end of 2022, the European Central Bank (ECB) projects high levels for 2023 (far above its 2% target) and is set to continue its interest rate tightening course in the coming months. Employers’ and conservative politicians’ warnings that raising wages will lead to a wage-inflation spiral have proven to be wrong. After an entire year of warnings from these groups, there is still no sign of a wage-inflation spiral. Instead, the opposite can be said about record profits.

In most countries, wages are falling far behind inflation, meaning a real-terms pay cut for millions of workers. Meanwhile, many big companies are booking record profits. While dividends pay-out is growing faster than inflation, private investment as a share of GDP continues to decrease. Profits are not going into investments, although massive investments are much needed to finance the green and digital transitions. Instead, they are going into shareholders’ and top corporate executives’ pockets. The latter have seen their pay grow by more than 1000% over the past 40 years, nearly 100 times the rate of average workers.

Company profits reached record highs in the second quarter of 2022. Many companies across the economy (not only in the energy sector) have benefited from the crisis, with strong order books, and higher-than-expected results and profits. Those who are making money from the crisis should pay for it. They have a responsibility to pay decent wages – and their fair share of taxes. The EU has finally proposed to introduce a minimum corporate tax of 15% for large companies, but more needs to be done. Austerity should be avoided at all costs, especially in an environment where social unrest and the far-right are on the rise.

The panelists will discuss this complex background, highlighting the situation in each country.

II. Panel: Dealing with the green and digital transition in a context of tight labour markets: threats and opportunities?

2023 started with a very strong European labour market, with Eurozone unemployment levels [reporting](#) a new record low of 10.9 million. For trade unions, a strong labour market is good news because it increases our bargaining power. However, for employers, conservative policymakers and some financial institutions, a strong labour market is a warning against a wage-inflation spiral.

While there are no signs of such a spiral, the current, strong labour market does raise concerns in view of the massive skills and labour shortages which undermine workers’ employability and threaten to jeopardise the twin transition. Our bargaining strategy needs to take into account the current opportunities that a strong labour market gives to unions, while paving the way towards lifelong employability and a Just Transition.

Skills shortages have been a major issue for the European labour market for the past decades. IndustriAll Europe and its members have pointed towards the need to tackle this issue with measures like education, training, and life-long learning, including reskilling and upskilling. At European level, our members have made training a central priority, with the first common demand for an individual right to training adopted already in 2005. Workers must have the right to quality training and life-long learning, combined with future-proof occupational pathways to support job-to-job transitions.

The COVID-19 pandemic has intensified the issue of skills shortages, especially because it has accelerated the green and digital transition. These shortages are likely to be exacerbated in the coming years, as a combined effect of the transition, an ageing society and the turbulences in global trade. The European Commission has declared 2023 as the '[European Year of Skills](#)', with initiatives to support skills development, such as the 'European Skills Agenda'. But, it also reacted to this challenge with the '[Skills and Talent Package](#)', proposing labour migration policies as a solution. Employers are increasingly looking at economic migration as an 'easy-fix' for a complex issue. However, for trade unions, this raises several concerns.

Several international organisations, like the [OECD](#) and the [IMF](#), also published their analyses on the topic, in which third-country migration does not appear as a crucial policy to resolve the crisis (Eurofound describes it only as a "short-term solution"). The IMF focuses its policy recommendations on wage growth to attract labour and make the recovery more inclusive. The OECD focuses on social protection, with a combination of both passive (e.g.: unemployment benefits; short-time work schemes) and active labour market policies. Job retention schemes are considered a crucial part of the recovery, and the suggestion is to make them structural. This opens the discussion for a new form of permanent [SURE](#), not only valid in emergency periods.

The twin transition is changing professions and jobs, employment in itself and the entire world of work, much faster than expected. These rapid changes create an urgency for education and training that ensures reskilling and up-skilling to equip workers for jobs in a transforming industry. However, training is not the silver bullet. We also need a good industrial policy, leading to the creation of quality jobs. A public job guarantee for job creation can be a key element for a successful green transition, creating the necessary new jobs and supporting a Just Transition for workers. Training only makes sense in a job-rich environment. We also need adequate employment policies and fair social policies, to equip every worker with the right set of skills to ensure a future-proof professional development. Developing skills is a shared responsibility of governments, employers, workers and their trade unions.

The panelists will discuss this complex background, highlighting the situation in each country.

III. Panel: To manage the challenges, we need trade union rights and more and better social dialogue and sectoral collective bargaining

Trade union and collective bargaining rights have been under attack for decades. This destructive trend reached its peak with the decentralisation of national collective bargaining systems in many countries, imposed through the austerity measures after the 2008-09 financial crisis. At that time, sectoral and cross-sectoral collective bargaining was seen as a problem by most international and European institutions, like the IMF, OECD and the European Commission. The results of these policies were clear: inequality, in-work poverty, economic insecurity and precarious work have been exploding across Europe. The promised convergence between EU countries has not come to pass. Distrust towards the EU and governments has been mounting, resulting in recent election wins by far-right parties in a few European countries and in growing sympathy for populist movements. Fortunately, some European and national policymakers, as well as some international institutions, did seem to have learned from past mistakes. The political reaction to the COVID-19 pandemic was the right one, with support measures for the economy and without harmful austerity.

We now also see a wind of change at almost all levels, when it comes to the value of collective bargaining. In Spain and Romania - two EU-countries whose collective bargaining systems had been dismantled by the Troika - reforms to correct some of the damages were passed in 2022. These reforms were EU requirements for countries to be able to access EU COVID-19 recovery funds. This is the type of social conditionality that trade unions demand in all EU legislation and funding.

The adoption of the European Directive for Adequate Minimum Wages in 2022 is another example of the changing narrative of the added value of collective bargaining. It foresees that in countries where collective bargaining coverage is below 80%, Member States should propose an action plan on how to reach this target. Currently, the only EU countries fulfilling this criteria have a well-functioning sectoral bargaining system.

It is up to trade unions to make sure that the Directive is transposed to the advantage of workers and to build, rebuild and strengthen their sectoral bargaining systems. Fighting trade union busting and strengthening trade union rights is part of this struggle.

Of course, trade unions have to recruit more members, as well as build power across borders, to negotiate from a position of strength and unity. Attracting and integrating young members must also become an active priority, otherwise many unions face a worst-case scenario of losing a majority of their active members due to retirement in the next 5-10 years. For the trade union movement to rejuvenate, it is necessary to take our young members' ideas on board, because they understand their own generation better. Trade unions that are already doing this have experienced positive results which need to be replicated.

The panelists will discuss this complex background, highlighting the situation in each country.

IV. Panel: Dealing with the cost-of-living and energy crises while delivering on the Just Transition: the way forward

Workers in Europe are facing an escalating social crisis. Our industries are facing an existential crisis and the climate clock is ticking.

While the EU has finally realised that there will be no prosperity without a strong industrial base, the EU plans to revitalise a genuine European industrial fabric are likely to be jeopardised. The energy prices crisis creates a perfect storm, both for European societies and industries, and the Inflation Reduction Act launched by the US could siphon out new foreign green investment on its soil with its generous tax incentives. To the frustration of many, the EU has taken its time to present a matching proposal. It is still to be seen whether the 'Net-Zero Industry Act' announced by Commission President Von der Leyen will deliver an adequate response

IndustriAll Europe has been very vocal, demanding urgent short-term support measures aligned with the long-term objectives of the European Green Deal and more independence in future energy supply. We also need an assertive European industrial strategy to prevent deindustrialisation and foster regional cohesion.

Public funds must be linked to social conditionality to guarantee jobs and working conditions. This remains a very weak spot in EU legislation. Just Transition continues to be the weaker partner to climate ambition, lacking clear, enforceable legislation to promote social and territorial cohesion in Europe. The Council Recommendation on ensuring a fair transition towards climate neutrality remains just another soft law initiative, without any strengthening of the existing bits and pieces of EU legislation and programmes making up the Commission's Just Transition Agenda. In our Just Transition Campaign, we have been demanding strong measures to promote a real Just Transition.

Already before the current extraordinary context of triple social, economic and climate crises, we have been observing a growing gap in how the Green Deal was implemented on the ground in Europe. Climate targets are the same for all, but the starting points and means to achieve them are different across Europe. Ambitious climate targets must be matched by adequate support for a Just Transition everywhere in Europe. This means sufficient resources to prepare workers for the transitions, a good understanding of which jobs are impacted and where, anticipation of change and social dialogue for all workers, and a framework of rights that ensure smooth transitions for individual workers.

In Central and Eastern Europe, most governments fail to involve trade unions in planning and managing the transitions. This means unions cannot ensure that climate policies are implemented fairly for impacted workers. The situation is particularly worrying in South-East Europe. The green and digital transformations are able to deliver quality jobs, provided they are supported by well-functioning social dialogue and collective bargaining. It is therefore crucial to build, rebuild and strengthen social dialogue and sectoral collective bargaining across Europe.

The panelists will discuss this complex background, highlighting the situation in each country.

2. Four Working Groups to deepen our exchange

The participants have the opportunity to participate in one of four working groups which aim to deepen the exchange among members from different countries. By discussing the often similar challenges faced as trade unions in view of the current energy and cost-of-living crises, we can move forward towards developing a strategy for tackling today's extraordinary situation.

Interested participants are invited to find their names on the list of each group. The groups will be moderated by one member of the industriAll Europe Secretariat and one member of the CBSP / CBSP Select Working Party. The moderators will present the guiding questions for the group work and report back to the plenary afterwards.



Draft programme final conference

Thursday 2 February 2023

08:30 Registration

09:15 **Welcome** by Michael Vassiliadis, President industriAll Europe

09:30 **Setting the scene:** Ronald Janssen, TUAC Chief Economist

10:00 **First panel: Bargaining for fair wages & fair working conditions in times of crisis: the reality on the ground**

Chaired by Luc Triangle, industriAll Europe, General Secretary

Keynote speaker: Jörg Hofmann, President IG Metall, Germany

Panellists:

- Roman Durco, President, OS KOVO, Czech Republic
- Rocco Palombella, General Secretary, UILM, Italy
- Sebastien Dupanloup, Federal Secretary, ABVV/FGTB, Belgium
- Ben Norman, UniteTheUnion, UK

Questions and Answers

11:30 Coffee break

12:00 **Second panel: Dealing with the green and digital transition in a context of tight labour markets: threats and opportunities?**

Chaired by Isabelle Barthès, Deputy General Secretary industriAll Europe

Keynote speaker: Wouter Zwysen, ETUI

Panellists:

- Frédéric Touboul, Advisor International Affairs, FTM-CGT, France
- Patrik Pedersen, Collective Bargaining Expert, Unionen, Sweden
- Jacqie van Stigt, National union official for the metal sectors, FNV, Netherlands
- Tsvetelina Milchalieva, President, CITUB FOSIL, Bulgaria

Questions and Answers

13:30 Lunch Break

14:30	<p>Third Panel: To manage the challenges, we need trade union rights and more and better social dialogue and sectoral collective bargaining</p> <p><i>Chaired by Patricia Velicu, Head of Collective Bargaining and Social Policy IndustriAll Europe</i></p> <p>Keynote speaker: <i>Esther Lynch, General Secretary, ETUC</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • <i>Monika Bendekova, President, OZ KOVO, Slovakia</i> • <i>Juan Blanco, International Department, CC.OO, Spain</i> • <i>Arpad Suba, General Secretary, industrial-BNS, Romania</i> • <i>Romain Dargent, Chair of the industriAll Europe Youth Working Group</i> <p>Questions and Answers</p>
16:00	Coffee Break
16:30	<p>Welcome to Milan by Italian Trade Unions:</p> <ul style="list-style-type: none"> • <i>Roberto Benaglia, General Secretary, FIM/CISL</i> • <i>Nora Garofalo, General Secretary, FEMCA /CISL</i> • <i>Daniela Piras, General Secretary, UILTEC/UIL</i>
17:00	End of first day
19:30	Joint dinner

Friday 3 February 2023

09:00	<p>Working groups: Bargaining for fair transformations in times of crisis:</p> <p>I. Group session</p> <p>II. Group session</p> <p>III. Group session</p> <p>IV. Group session</p>
10:30	Report back to plenary
11:00	Coffee Break
11:30	<p>Final Panel: Dealing with the cost-of-living and energy crises while delivering on the Just Transition: the way forward</p> <p><i>Chaired by Judith Kirton-Darling, Deputy General Secretary</i></p> <p>Keynote speaker: <i>Gabriele Bischoff, MEP, S&D</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • <i>Fin Krogh Jorgensen, ida, IPC Chair, Denmark</i> • <i>Ralf Sikorski, Deputy President, IGBCE, Germany</i> • <i>Marco Falcinelli, General Secretary, FILCTEM, Italy</i> • <i>Grzegorz Trefon, Project Office & International Affairs, Kadra, Poland</i> <p>Questions and Answers</p>
12:45	Concluding remarks and ways forward for industriAll Europe
13:00	End of Conference and lunch



Guidelines for the Group Work

When? 3 February 9:00 – 10:30

The participants have the opportunity to participate in one of the four working groups which aim to deepen the exchange among members from different countries. By discussing the often similar challenges faced as trade unions in view of the current energy and cost-of-living crises, we can move forward towards developing a strategy for tackling today's extraordinary situation.

The groups:

Interested participants are invited to find their names on the list of each group (available at the registration desk and already received via email). The groups will be moderated by one member of the industriAll Europe Secretariat and one member of the Collective Bargaining and Social Policy Committee and/or its Select Working Party.

- 1. Group: multilingual (all languages provided during the conference) in the plenary**
Moderated by Isabelle Barthes and Alena Paukrtová
- 2. Group: French – Italian interpretation in the breakout room**
Moderated by Aline Conchon and Julie Blondeel
- 3. Group: German – English interpretation in the breakout room**
Moderated by Ildiko Kren and Sophie Jänicke
- 4. Group: English only in the breakout room**
Moderated by Patricia Velicu

Questions for the group work:

The moderators will provide a brief summary of the key conclusions from the previous day through the help of the illustrations. They will present the guiding questions and steer the discussion. Each group will select a participant who will report back to the plenary afterwards.

- 1. What is your position on the key topics discussed during the first day of the conference? How are you dealing with these topics at the national level? What are your demands towards both employers and policymakers?**
(Bargaining in times of crisis, protecting wages & purchasing power, tight labour market & skills shortages ahead of twin transition, trade union rights & sectoral collective bargaining)
- 2. What can we do together to tackle the current crisis and ensure a just and fair twin transition? What should be our common strategy? Which are the next bargaining priorities?**

The report back to the plenary will take place between 10:30 – 11:00.

Coffee break is provided afterwards between 11:00 – 11:30.



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