

## Policy brief

2025/1

# Provisions for social conditionality, employment security and anticipation and management of change in the Clean Industrial Deal

Brussels, 13 March 2025

## 1. Introduction

### 1.1 Why do we need conditionality and how can conditionalities help promote decarbonisation, economic and social wellbeing?

In a context of an industrial crisis, the EU stands at a crossroads and must make critical decisions on whether to withstand the strong headwinds while protecting and decarbonising its industry or facing a lasting industrial decline.

The Clean Industrial Deal must bring a real and lasting push towards competitiveness while protecting EU values and accomplishments. We firmly believe that EU industrial policy must foster both economic and social resilience, and pursue green reindustrialisation targets.

There is a high risk that vocal calls for competitiveness through deregulation lead the EU in a race to the bottom, with damaging impacts to its strong social acquis. The EU must do better and demonstrate pride in its achievements, especially its strong social model, highly-qualified workforce and its high health and living standards.

Therefore, we want the EU to take bold action to foster an industrial policy that pursues broader goals of economic and social wellbeing in all of its regions.

The integration of social conditionality into public support could be a strong lever to achieving this. In that sense, social conditionality must not be considered as a burden on companies, but as a system in which responsibilities for economic and social wellbeing are shared equally. The returns of social conditionality can be manifold: from the availability of a skilled workforce, greater labour market participation and wellbeing, decent living wages and stimulation of demand, tax incomes, regional cohesion and overall societal peace and trust in democratic organisations.

Enrico Letta in his 2024 report, *Much more than a market*, made very detailed suggestions for how conditionalities in industrial and investment strategies could contribute to broader common public policy objectives.

“The effectiveness and acceptability of State aid instruments depends crucially on the strategic use of public funds to achieve common public policy objectives. Wasteful or harmful spending must not be allowed. (...) To achieve the European Union's strategic goals, conditionalities must be tailored to these specific ambitions. They must be operational, measurable, verifiable, and enforce consequences in instances of non-compliance. (...) Certain conditionalities, such as wages, workers' rights and support for less developed regions, could be applied across different types of State aid logics and help to ensure that industrial policy projects support convergence and fair competition within the EU.”<sup>1</sup>

The call for social conditionalities is reflected in the Antwerp Declaration where signatories called for public de-risking of private investment, with guarantees to ensure the retention and creation of quality jobs in Europe.<sup>2</sup>

At EU level, precedencies exist. For instance, the latest reform of the Common Agricultural Policy (CAP) (2023-2027) integrates social conditionality by requiring beneficiaries to respect EU labour standards and improve working conditions on farms.<sup>3</sup>

While this is an important example, we believe that social conditionality must go beyond the compliance with existing legislation. While compliance should be a criteria for eligibility, the pursue of a Just Transition and greater economic and social wellbeing demands more.

A unifying requirement for companies to anticipate and manage changes with the democratic participation of employees is needed. A system where social partners are negotiating plans with an interest in fostering a qualified workforce is even more important in the context of shortages of skilled labour. Such an approach could help bring more concrete action to achieve a Just Transition, by reconfirming and strengthening existing rights of employees and promoting a new and more comprehensive system of anticipation and management of change.

In order to ensure the effectiveness of social conditionalities, it will be pivotal that sanction mechanisms are put in place.

## 1.2 Objective of this briefing

This briefing tries to reflect on two guiding questions:

1. How to integrate anticipation of change and the right to training into conditionalities included in the Clean Industrial Deal.
2. What concrete examples exist already?

It aims at providing an overview of concrete practices of social conditionality and anticipation of change at various levels. It provides for a brief overview of existing legislation concerning the anticipation and management of change.

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<sup>1</sup> Enrico Letta, Much more than a market: [https://single-market-economy.ec.europa.eu/news/enrico-letta-report-future-single-market-2024-04-10\\_en](https://single-market-economy.ec.europa.eu/news/enrico-letta-report-future-single-market-2024-04-10_en)

<sup>2</sup> <https://antwerp-declaration.eu/>

<sup>3</sup> [https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27_en)

It gives concrete examples of strategies of anticipation and management of change at national, sectoral and company level.

Last, but not least, it gives an idea of how forced redundancies could be prevented, an overview of employment retention schemes, and gives an example of existing legislation that obliges companies to find new buyers in the case of restructuring.

## 2. Anticipation and management of change at EU level

### 2.1 What tools do we have at EU level?

Elements of anticipation and management of change are governed by EU legislation, albeit with varying results in terms of respecting concrete rights of employees to effective and timely information and consultation. Legislative tools include binding legislation and non-binding indicative recommendations or guidelines.

### 2.2 Binding EU legislation

Information and consultation at national level

- Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community.

Information and consultation in multinational companies

- Directive providing for the establishment of a European Works Council (EWC) or a procedure for informing and consulting employees in Community-scale undertakings and groups (94/45/EC, recast by Directive 2009/38/EC) applies to undertakings or groups with at least 1,000 employees and at least 150 employees in each of two Member States. It allows for the establishment of a European Works Council, representative of employees in the Member States where the group has operations, to be informed and consulted on the progress of the business and any significant changes envisaged.
- Additional Directives provide for the involvement of employees (i.e. information, consultation, and, in some cases, participation on the supervisory board or board of directors) in companies adopting the European Company Statute (Directive 2001/86/EC) or the European Cooperative Society Statute (2003/72/EC) or deriving from a cross-border merger (2005/56/EC).<sup>4</sup>

Protection of employees in the event of the insolvency of their employer

- Directive on employer insolvency (2008/94/EC).

Legislation governing procedures related to collective redundancies

- Directive 98/59/EC on the Approximation of the laws of the Member States relating to collective redundancies.

While the latter plays an important role in governing redundancies, its objective is to deal with the consequences of redundancy decisions having been taken and therefore does little for anticipation as currently written. There is much need for the improvement of the Directive to help prevent closures, and thus redundancies, e.g. through the integration of a stronger framework for big collective redundancies (for example, closure of plants or collective redundancies concerning more than 100 employees), longer

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<sup>4</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:1678c5e2-6403-11e3-ab0f-01aa75ed71a1.0003.05/DOC\\_2&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:1678c5e2-6403-11e3-ab0f-01aa75ed71a1.0003.05/DOC_2&format=PDF)

delays, more rights to expertise of works councils to work on alternatives, more training rights for people made redundant.

#### Corporate Sustainability Due Diligence Directive

The new legislation Directive 2024/1760 includes an obligation for transition planning (with stakeholder involvement) in article 15. This introduces anticipation principles into climate rules. Transition plans must describe a company's decarbonisation strategies, investment plans, and governance related to the plan's implementation. Furthermore, the legislation links to the right to collective bargaining and fundamental workers' rights along supply chains.

#### Critical Raw Materials Act and NZIA

Within the CRMA, the EU sets out clear social and environmental conditionalities for strategic partnerships and projects. Social conditionalities are included in a voluntary manner in the Net Zero Industry Act.

#### Public Procurement Rules

Directive 2014/24/EU on public procurement includes social conditionalities. The horizontal social clause in Art. 18(2) Directive 2014/24/EU is considered mandatory, but issues in its implementation stem from unclear interpretations in some national transpositions. The legislation is currently subject to consultation on revision. There are several improvements which should be made to improve the clarity and certainty of the social provisions and ensure policy coherence. Furthermore, Article 9 of the Directive on Adequate Minimum Wages states that Member States shall take appropriate measures to ensure that, in the awarding of public procurement contracts, economic operators and subcontractors should comply with the right to organise and collective bargaining on wage-setting.

### 2.3 Non-binding indicative EU Initiatives

- Commission Communication of 13 December 2013 establishing the EU Quality framework for the anticipation of change and restructuring
- Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality
- the Council Recommendation of 12 June 2023 on strengthening social dialogue in the European Union
- Green Deal Industrial Plan includes the reference to increased conditionalities on training and skills in IPCEIs and other funding instruments<sup>5</sup>

### 2.4 Effectiveness of existing EU legislation

In the experience of industriAll Europe and its affiliated national unions, the existing EU legislative tools lack effectiveness. Non-binding guidelines and quality frameworks in particular bring little change on the ground.

As our Just Transition Manifesto argues:

Unfortunately, the existing European tools have proven ineffective in securing the workers' voice in corporate decisions and the adoption of a genuine, forward-looking outlook by companies. Anticipatory

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<sup>5</sup> Point 18 of the Guidelines on IPCEIs: Communication from the Commission - Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest

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 Europe.<sup>6</sup> 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 be 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 decisions.<sup>7</sup>

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.<sup>8</sup>

### 3. Concrete examples of application of social conditionality at Member State level

#### 3.1 Spain - Just Transition Tenders

In Spain, the Institute of Ecological Transition established so-called Just Transition Tenders, a programme that combines cohesion objectives (by focusing the support on Just Transition regions) and support of renewable projects with socio-economic objectives. In this programme, grid access capacity freed up by coal-fired power plants is awarded to renewable energy projects through tenders that prioritise proposals with the greatest socio-economic and environmental benefits for affected areas.<sup>9</sup> As highlighted in the graphic below, socio-economic aspects have substantial weight in the selection criteria.

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<sup>6</sup> European Commission (2018) study monitoring the application of the EU Quality Framework for anticipation of change and restructuring, p. 53.

<sup>7</sup> 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

<sup>8</sup> See [industriAll Europe's Just Transition Manifesto](#) (p.23)

<sup>9</sup> Ministry for the Ecological Transition: [Spain, 4 years towards a just energy transition](#), May 2023

## An innovative instrument to drive impact

**Just transition tenders** were created by the government of Spain to support the implementation of the **Just Transition Strategy**, consisting on

- ❑ Allocate **grid access capacity** freed-up by the closure of coal power plants to new **renewable energy projects**
- ❑ Using a competitive tender process prioritizing projects that maximize **local socioeconomic opportunities**.

**Examples of evaluation criteria:**

- Job creation, both by renewables & **local projects**
- Job creation for **women and coal workers**
- **Re-skilling** for people in the just transition area.
- **Distributed energy resources** for self-consumption
- **Investment** in local value chain and local participation

**Socioeconomic commitments ensured through economic guarantees**

Just transition tender Valle del Guadiato (Córdoba)	
Evaluation criteria	Points
Technology (energy storage, kinetic energy, etc)	20
<b>Socioeconomic impacts</b>	64
Project maturity	5
Environmental impacts	11

Socioeconomic impacts	
	Points
Total jobs (jobs/MW)	29
Jobs for coal workers (jobs/MW)	3
Jobs for women (jobs/MW)	5
Re-skilling (n° of hours & attendees/MW)	8
Distributed energy (MW & users/MW)	11
Local investments and participants	8

Source: Ministry for the Ecological Transition, Spain

### In detail – Just Transition Tender



#### Best practice: Just Transition Tender at Andorra's coal power plant (Teruel)



Grid access for 1.202 MW of solar PV & wind and energy storage  
 >€1.500 million investments & larger job creation than affected by the power plant's closure.



Renewable industry: solar tracker manufacturing plant; electrolyzer factory; woodchip processing plant for biomass heating; boost of local concrete factory into wind tower industry.



Recovery of 50,000 centenarian olive trees to produce oil and preserves, agreement with shepherds and beekeepers, inclusive olive grove project for people with disabilities.



Sustainable tourism: centre for the promotion of birdlife, micro-reserves of protected flora, hiking routes & greenways, and Andorra will become the third "picto village" in Spain for people with disabilities.



337.650 hours of training for 1.300 participants; plus distributed energy resources for 3,800 consumers through energy communities.

Source: Ministry for the Ecological Transition, Spain

### 3.2 Germany- Klimaschutzverträge/ Climate Protection Contracts

In 2023, the German Government introduced the so-called *Klimaschutzverträge* (Climate Protection Contracts) - hedging instruments designed to support large companies in energy-intensive industries, such as steel, paper, cement and glass, through carbon contracts for difference (CCfD). They provide companies with financial planning security with regard to price developments (for example, for energy carriers such as hydrogen).<sup>10</sup> Also here, public support is conditional on site/employment security. The

<sup>10</sup> Federal Ministry for Economic Affairs and Climate Action, [Funding Guidelines](#): Article 8.2.



contracts must be developed in consultation with the works council/trade union. If there is a collective bargaining agreement or company agreement with trade unions/works council, then intensive examination by the authorities is not necessary. The contracts are approved by an authority and regularly reviewed (every three years). There is a reporting and information obligation, meaning that companies must inform employees that all parties in the enterprise must be involved. If the condition change (expiration or termination of a collective agreement or company agreement, the establishment of a work council or similar), the project sponsor must be informed.<sup>11</sup>

It is important to note that the employment clause is subject to sanctions: penalties may be imposed on companies that violate these regulations.

The first bidding round was organised in 2024 and gained high interest. A second bidding round is being prepared. The CCfDs are currently being subsidised with €4 billion. A further €19 billion was originally announced.

### 3.3 Germany - Federal support for industry and climate protection ([Bundesförderung für Industrie und Klimaschutz](#) or short BIK)

While the KSV is aimed at large, emission-intensive companies, the German Government introduced a complementary programme providing a similar support to SMEs. BIK bundles and supplements transformation funding programmes for SMEs. According to current planning, around €3.3 billion are available for the funding programme for the entire duration of the programme. The first call for tenders was finalised in autumn 2024.

Here, too, social conditionality has been integrated - albeit restricted 'to funding over 30 million euros'. This is because BIK only applies to the newly created funding for decarbonisation projects.

The following passage is a free translation from the original funding guideline:

*'(7) Applications for funding of more than 30 million euros in sub-module 2 must include a viable concept for maintaining the location and developing employment in relation to the transformative production process.'*<sup>12</sup>

The call for funding reiterates the requirements of the Climate Protection Contracts with respect to information/consultation and collective agreements.<sup>13</sup>

### 3.4 Public procurement linked to collectively negotiated labour conditions

In Germany, trade unions and several Lander have launched actions to ensure that only companies complying with collective agreements in their respective sectors receive public contracts. This initiative

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(vi) An agreement between the applicant and the responsible works council or the responsible parties to the collective agreement, which shows that the applicant is pursuing a viable concept for maintaining the site and developing employment in relation to the transformative production process. If no such agreement can be attached to the application, the applicant must justify this in writing to the granting authority and attach the concept and a statement from the works council or the parties to the collective agreement to the application. If there is no works council at the applicant's company and the applicant is not bound by a collective agreement, the applicant must submit a viable concept for maintaining the location and developing employment in relation to the transformative production process,

<sup>11</sup> Federal Ministry for Economic Affairs and Climate Action: [Funding Guidelines for Carbon Contracts for Difference](#)

<sup>12</sup> Federal Ministry for Economic Affairs and Climate Action: [bundesfoerderung-industrie-klimaschutz-foerderrichtlinie.pdf \(bmwk.de\)](#)

<sup>13</sup> Federal Ministry for Economic Affairs and Climate Action: Call for funding [bekanntmachung-foerderauf-ruf-dekarbonisierung-modul-1.pdf \(bmwk.de\)](#)

aims to improve the quality of construction services, publicly procured services and goods, and reinforces the State's role as a model in guaranteeing wages and fair working conditions. Currently, 7 federal states have regulation on comprehensive collective bargaining guidelines linked to public tendering processes.

There are two types of approaches:

- **The Berlin Way:** the State government specifies which locally used or representative collective agreement will govern the relationship with the workers of those companies aiming at participating in that specific public tender process. In this case, remuneration, bonuses and special payments from the collective agreements are taken into account.
- **The Saarland way, or statutory-order model:** the government applies statutory orders in all sectors, copying directly the content of the collective agreement into the public call. In this situation, wages, working hours, special payments and bonuses are being considered. The scope is more extensive.

In Italy, the Florence municipality has become the first local authority in Italy to establish a minimum hourly wage of €9 for all workers, including service workers. If any worker falls below the €9, the town hall will supplement this difference. Furthermore, trade unions have helped to review the municipality's Protocol, where the "contract of best favour" - meaning working conditions and wages - will now be indicated as a parameter to ranking companies during a public tender process. There is also a permanent monitoring of contracts through the "Employment Adequacy Monitoring of Contracts". All the actions are aimed at avoiding the risk of cascading subcontracting.

### 3.5 Portugal: social conditionalities on public funding

In Portugal, companies using collective agreements are able to benefit from tax benefits and specific policies regarding access to public or EU funding. In February 2023, the number of workers covered by collective agreements was 192,000, up 12% since 2008<sup>14</sup>.

## 4. Concrete examples of anticipation and management of change

### 4.1 National/cross-sectoral examples

#### 4.1.1 France- GPEC/GEPP

**GPEC** - *Gestion Prévisionnelle des Emplois et des Compétences* is a scheme established through legislation within the French labour code to promote companies in anticipating skills needs, aligning them with the future needs of the company. It was established by the Social Cohesion Programming Act of 2005, which made it mandatory for companies with more than 300 employees to negotiate on the forward-looking management of jobs and skills every three years. It promotes social dialogue in companies in order to anticipate changes and prevent crises (redundancy plan, site closure, etc.). It is principally done on the company level, but the law provides for the possibility to negotiate at the sectoral or regional level.

The law was supplemented in 2015 by new provisions on social dialogue on:

<sup>14</sup> <https://www.mind.eu.com/rh/en/hr-practices/professional-development/legal-developments/national-legislation/portugal-labour-code-reform-comes-into-force/>



- The major strategic orientations of the company and the orientations of career paths.
- The economic and financial situation of the company, as well as the company's research and technological development policy.
- Social policy, working conditions and employment (recruitment).

In 2017, GPEC was transformed into GEPP scheme "*Gestion des Emplois et des Parcours Professionnelles*". The aim of this reform was to adapt skills management to changes in the labour market and to respond to a new economic context with an emphasis on dynamic management rather than simple, forward-looking management of skills. It integrates the notion of "career path" and encourages continuous training to strengthen employees' employability, whether it is in line with the company's strategy or pursuing external personal projects.

The law established a three-year obligation for the negotiation of agreements. The duration of the negotiations may be set by the social partners, but may not exceed a period of four years. This legislation has encouraged companies to take a more proactive and strategic approach to anticipating and managing change in the context of economic, technological, social and environmental transitions.<sup>15</sup>

#### 4.1.2 Belgium- General Agreement – Individual Right to Training and Training Plan (2022)

Chapter 12 of the Labour Deal Act, titled "Investment in training", introduces an individual training right for employees. This regulation is linked to the obligation for employers to draw up a training plan, which in turn can be found in Chapter 9 of the law.

##### 1) Individual right to training

The principle of an individual training right means that every full-time employee in a company with at least 20 employees will be entitled to five training days. As a transitional measure, this will still be four training days in 2023 (from 2024, it will be five). For employers with at least 10 but fewer than 20 employees, this number of mandatory training days will be reduced to one training day per year per full-time equivalent. As stated above, workers with fewer than 10 employees are excluded. We are talking about training days, but obviously not every training will take up a full day.

Training courses followed in this framework should be paid for by the employer. While attending the training courses, employees receive their normal remuneration. In principle, training should take place during working hours. If this would not be possible, employees should receive their normal wage (as overtime pay) for the hours spent on training outside working hours.

Part-time employees or those not employed for a full year, will be entitled to a number of days in proportion to their employment by applying a formula.

Training days can be spent on formal and informal training.

##### 2) Training plan

To give further practical effect to the individual training right, the labour deal in Chapter 9 imposes an obligation on employers with at least 20 employees to draw up a training plan. This means that while

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<sup>15</sup> [Quelle est la différence entre GPEC et GEPP ? - dicorh.fr](https://www.dicorh.fr/Quelle-est-la-difference-entre-GPEC-et-GEPP-)

employers with at least 10 employees but fewer than 20 employees will thus have to ensure that their employees attend at least one day of training per year on average and they will not have to draw up a plan. Employers with fewer than 10 employees are not obliged to develop a training plan.

The training plan will have to pay particular attention to at-risk groups, e.g. the over-50s, and to bottleneck occupations. Moreover, the plan should pay attention to the gender dimension.<sup>16</sup>

#### *4.1.3 Sweden - 2022 Labour market reform to promote skills, security, transition and employment protection*

The basic premise for the agreements is that the individual – in addition to having employment protection – is given a greatly increased right to skills development. At the same time, the employer is provided with increased flexibility in situations of redundancy and greater predictability and reduced costs in the event of a termination of an employment contract due to personal reasons.

- 1) Changes in employment protection consist mainly of the following points:

Objective reasons for termination of employment in the event of a dispute:

- Termination must be based on objective criteria
- Even when an employee claim concerning the cancelling or termination of employment, the employment normally ends at the end of the notice period (currently, employment lasts until the dispute is finally settled)

Exceptions from the order of senior priority in connection with termination of employment:

- Order of precedence is still the main rule that applies in the event of a shortage of work. However, if the parties cannot agree on an order of precedence, the employer may, by law, exempt up to three employees with preferential rights to continued employment

Safer forms of employment:

- The temporary employment form “general fixed-term employment” is replaced in the Employment Protection Act by “special fixed-term employment”.
- Temporary agency workers who have worked for the same company for more than two years shall be offered a permanent employment by the user undertaking or an agreed remuneration, which for members of the trade union LO shall correspond to three monthly salaries.
- In the event of a reorganisation, where the total working hours is reduced without any layoffs, offers for a redeployment with less contracted hours must be offered in turn.

- 2) The right to increased competence development and strengthened support in the event of transition.

The right to increased competence development and training, as well as strengthened financial support in the event of transition, presupposes that the state introduces a new organisation for transition and a new public adult study support.

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<sup>16</sup> Information collected as part of our European Project TRIREME. More info is available: <https://leglobal.law/2022/12/09/belgium-labour-deal-2022-individual-training-right-and-training-plan/>

The basic adjustment and skills support, such as guidance, counselling and enhanced support for sick people made redundant, must be offered to all employees – irrespective of whether or not they are covered by a collective agreement – and be financed by the State.

For those employees who work for companies covered by the main agreement on security, transition, and employment protection, the following conditions also apply:

- The individual receives a strongly increased right to skills development
  - o During ongoing employment and in between jobs
  - o Applies to everyone, irrespective of employment type
  - o Those on sick leave are also covered.
- Employees are entitled to time off – up to 44 study weeks – to undergo training.
- The individual will receive financial compensation during the study period equivalent to up to 80% of their salary. The intention is that CSN, the Central Student Aid Board, will pay an adult student an amount of 80% of the salary, up to a ceiling of 4.5 income base amounts (one income base amount is SEK 68,200 in 2021). For salary components over 4.5 income base amounts, the transition organisations will pay an amount of 65% of the salary, up to a ceiling of 12 income base amounts.<sup>17</sup>
- It is possible to requalify for study days; 15 years after the time the individual spent their first 110 study days, they are eligible for a further 110 study days.<sup>18</sup>

#### 4.1.4 Norway- Upskilling and re-skilling for adults – Reform for the industry in Norway 2024

In Norway, in Spring 2024, the industrial trade union *Fellesforbundet* and *Norsk Industri*, the association of industrial employers, concluded a [collective agreement](#) including a training programme designed to enhance skills development among industrial workers. This training reform aims at ensuring expertise in the companies for restructuring, the green shift, technological development, and competitiveness. The government will contribute financially to putting such a reform in place to build future-oriented industries in Norway. Employees in the industry are granted the right to take time off from work to complete these educational modules, and companies must have a participation plan to facilitate this process.

A special industrial education fund will be established to reimburse both companies and employees for costs associated with the training, primarily focusing on wages. This fund will cover income payments for employees participating in further education. The agreement applies to companies under the Industrial Agreement, allowing employees to take up to two weeks (75 hours) off per calendar year for further education. However, the right to income reimbursement depends on the availability of sufficient funds.

Employers under the Industrial Agreement will contribute annually to the fund, covering one-third of the estimated annual need, based on 10% of the Agreement's members (approximately 4,000 workers per year).<sup>19</sup>

<sup>17</sup> <https://www.csn.se/languages/english/student-finance-for-transition-and-retraining.html>

<sup>18</sup> Information collected as part of a European Project TRIREME: more information is available [here](#)

<sup>19</sup> See [article](#) on industriAll Europe's Just Transition Website

## 4.2 Anticipation of change at branch and/or company level

### 4.2.1 Germany - Collective Agreements for the Future (*Zukunftstarifverträge*)

The Trade Union IG Metall initiated a strategy to be proactively involved in the transformation process at company or sectoral level through frameworks of shared governance and anticipation of the green and digital transition. The strategy was born in view of companies' announcements to relocate production and close sites, while not reinvesting in more innovative, sustainable production processes. The first Future Agreement was launched by IG Metall at Hauni (a company manufacturing tobacco machinery) to challenge the management's announcements and demonstrate that securing the site and investing in future-proof production was possible. This initiative led to integrate the concept of future agreements in the collective agreement in the metal and electro sector in 2021, laying the ground for early anticipation and management of change with the strong involvement of the employees and their works council. Since then, other branch agreements have followed suit.

The framework for future agreements comprises three steps.

- i) An analysis at sectoral level to identify transformation challenges. Management and works councils (social partners at the company level) are obliged to consult on these challenges, with possible involvement from employers' associations and trade unions (collective bargaining parties). Both parties, together with external experts, conduct a joint analysis.
- ii) The joint analysis is evaluated to determine if action is necessary.
- iii) Negotiations may commence on topics related to Just Transition, such as job security, personnel and qualification planning, change management and competitiveness. Should no agreement be reached, external moderation may be sought. Contrarily, if no action is deemed necessary, negotiations will not proceed. The goal of the future agreements' framework is to empower workers to analyse the impact of the transformation, propose ideas for the company's strategic future and economic development at each location, and establish new targets for future products, investments, competitiveness, and necessary qualifications. Essentially, it serves as a framework for anticipating change.<sup>20</sup>

As a result, future agreements have been successfully concluded in companies, like MAN Bus and Trucks, Musashi, Mahle and Bosch Mobility. They prevented site closures, protected employment, ensured re- and upskilling of workers and invest in the transformation of plants.<sup>21</sup>

### 4.2.2 France - 2024 Social agreement signed at Renault preventing redundancies amidst crisis anticipating changes

On 19 December 2024, carmaker Renault and the CFDT and CFE-CGC trade unions signed a [new social agreement for the period 2025-2027](#). It covers skills, work organisation, social protection and non-wage benefits. Following on from a [previous agreement on skills](#), the company, which employs 38,000 people in France, will guarantee that 100% of pay will be maintained in the event of short-time working and will set up job observatories to anticipate changes. The agreement also provides for a toolbox of internal mobility and retraining measures.

It guarantees that there will be no forced redundancy plans at a time when the automotive sector is undergoing [profound changes](#).<sup>22</sup>

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<sup>20</sup> More detailed [information on Future Agreements](#) on industriAll Europe's Just Transition Website

<sup>21</sup> [IG Metall Future Agreements \(II\): overview of companies adapting to the transition with workers participation](#)

<sup>22</sup> [Protect, accelerate, transform: Renault Group signs a three-year trade union agreement](#) - Renault Group global media website

## 5. Preventing forced redundancies in crisis

### 5.1 *The critical role of employment retention schemes in times of crisis*

In the urgent endeavor to protect industry, foster decarbonisation and protect employment, the Clean Industrial Deal must encompass bold action.

Important lessons are to be learned from the management of the COVID-19 crisis, where job retention schemes, such as SURE, have proven pivotal to avert mass layoffs and social disaster. Not only did they safeguard a highly qualified workforce in companies in times of labour shortages, but they also protected household incomes.<sup>23</sup> According to Eurofound, employment retention schemes combined with social benefit and direct taxes absorbed 74.4% of the shock on disposable incomes in 2020 and 67.1% in 2021.<sup>24</sup>

During the COVID-19 pandemic, the job retention programme ‘Support to mitigate Unemployment Risks in and Emergency’ (SURE) allowed the Commission to fund employment retention interventions at Member State level based on common debts. During the pandemic, employment retention schemes safeguarded an estimated 26.4% of jobs.

In a complex context of fierce global competition, persisting high energy prices and an industrial crisis, job retention schemes must be considered to safeguard a highly qualified workforce and prevent a further deepening of labour shortages. If combined with training activities during a downtime of employees, they are likely to have positive spill-over effects for companies in terms of critical skills needs.

Eurofound distinguishes between three common types of employment retention schemes that all aim at supporting companies in addressing temporary reductions and protecting workers’ jobs and pay:

- Short-time work schemes
- Furlough schemes or temporary unemployment/layoff schemes
- Wage subsidy schemes

The graphic below provides an overview of how employment retention schemes were implemented during the COVID-19 pandemic in the EU Member States.

<sup>23</sup> According to Eurofound, job retention schemes are temporary, yet effective policy interventions that can be deployed during a crisis to preserve employment and incomes.

<sup>24</sup> Weathering the Crisis: How job retention schemes preserved employment and incomes during the pandemic, Eurofound 2024

	ETUI classification of the scheme	Permanent scheme	Adjustment to the crisis	Adjustments during the crisis*
Hungary	STW scheme, working time reduction 30-50%	No		Agency workers included into STW scheme
	WS for HORECA			Introduced during second wave
	WS for R&D workers, to the company			
Ireland	WS	No	WS (can be combined with FS)	Increased level of support
	Part-time FS	Yes	Minor role	
Italy	Normal STW scheme (CIGO), 0-100% reduction	Yes	Eligibility widened: pandemic emergency; simplified procedure; suspension of dismissals on economic grounds	
	Special STW scheme (CIGS), 0-100% reduction	Yes		
	Residual STW scheme (FSB), 0-100% reduction	Yes		
	Temporary Covid-19 STW scheme (CIGD), 0-100% reduction	No	Covid-19 STW scheme for those not eligible for permanent schemes; suspension of dismissals on economic grounds	August–December 2020: co-financing from companies with revenue drop < 20%; September 2020: requirement to enrol into re-activation programmes
Latvia	STW scheme, full- and part-time reduction	No		Duration extended, overall level decreased but increased for low income through increase in cap
Lithuania	STW scheme, full-time and part-time	No		Level and ceiling increased, higher level and ceiling for employees > 60 years
Luxembourg	STW scheme, up to 50% reduction (100% in 2020)	Yes	A 'force majeure Covid-19 STW scheme': duration extended; eligibility: company under restrictions & more flexibility if difficulties; temporary workers and apprentices eligible, 100% reduction possible	A 'structural STW scheme', July–December 2020: no limit on % of employees and working time reduction for Horeca and tourism
Malta	WS	No		Eligibility widened: workers (students, pensioners), impact (revenue drop requirement relaxed); Level lowered for some sectors
Netherlands	WS	No	A special scheme replaced the permanent FS	Level: 10% wage cut allowed; support for employers adjusted; training provisions
Norway	FS, can be part-time	Yes	Smaller working time reduction possible, training allowed, duration, eligibility (lower prior income, non-EFTA citizens included), state subsidy; a WS for companies taking workers back from the scheme	Increased co-payment by employers; the length of temporary lay-offs has been increased; the period in which employees receive the full wage at the beginning of a lay-off has been reduced from 20 to 10 days; temporarily laid-off employees were allowed to receive training; between May and July 2020 laid-off employees from third countries had the right to receive unemployment benefits; between March and July 2020 the minimum working time requirements were reduced from 50% to 40%
Poland	WS, unpaid working time reduction possible	No		Eligibility impact: larger revenue fall required
Portugal	STW scheme, 50-70%/33-100% reduction (depending on decrease in turnover)	Yes		Introduction of extraordinary STW scheme in July 2020 replacing the standard scheme: eligibility widened beyond closure by government; 100% working time reduction allowed since January 2021, lowered to 75% in May 2021; increased level of support; full exemption of employers from paying security contributions turned into partial exemption



	ETUI classification of the scheme	Permanent scheme	Adjustment to the crisis	Adjustments during the crisis*
Romania	STW scheme, up to 50/80%	No		Working-time reduction more flexible; May 2020: 3 months WS of 41.5% for selected workers; co-determination by employees introduced
Slovakia	STW scheme, full-time and part-time	No	Special schemes (higher level), eligibility wider: restricted by government; economic difficulties	Employer's financial participation eliminated; Cap on support abolished
Slovenia	STW scheme, full-time (waiting for work at home)	No		Lowering of costs for the employer
Spain	FS, full-time and part-time	Yes	Introduction of two types of extraordinary support sub-schemes: based on force majeure and on economic, technical, organisational and production-related reasons arising because of Covid-19	In September 2020 introduction of a third sub-scheme each with different reductions of social security contributions for employers; simplification, expansion of sectoral coverage
Sweden	STW scheme, maximum 80% reduction	Yes	Generosity, extension	Between May and July 2020 larger working time reduction of 80% possible (re-introduced for January-June 2021)
Switzerland	STW scheme, reduction > 10%, 100% reduction is possible	Yes	Eligibility temporarily widened: fixed-term, temporary; duration extended; employer contribution reduced	Eligibility widened to employees with work on demand
United Kingdom	STW scheme	No		Co-payment temporarily introduced; payment of security contributions by employers; part-time work allowed

Notes: \* Extensions not considered; FS: furlough scheme; STW: short-time work; WS: wage subsidy.  
Source: ETUI survey of job retention schemes.

Source: ETUI, Job retention Schemes in Europe, 2021

More detailed information, analysis and concrete examples on how different countries implemented employment retention schemes can be found in the following publications:

Eurofound Research Report (2024) - [Weathering the crisis: How job retention schemes preserved employment and incomes during the pandemic | European Foundation for the Improvement of Living and Working Conditions](#)

ILO Report (2022) - [Job retention schemes during COVID-19: A review of policy responses](#)

ETUI Report (2021) - [Job retention schemes in Europe – A lifeline during the COVID-19 pandemic](#)

## 5.2 Possibilities to oblige companies to find a new buyer in case of closure

### 5.2.1 France Loi Florange - obligation to actively seek a buyer for a site before closure, where closure will result in redundancies

Introduced in 2014, the law imposes the obligation for employers to seek to find a buyer for a site before definitively deciding to close the site and make redundancies. It applies to:

- Companies which have at least 1,000 employees
- Groups with at least 1,000 employees and with at least 150 employees in two or more Member States

Employers covered by the law have an obligation to inform and consult with the works council in relation to such a proposal no later than the date on which the procedure of information and consultation in relation to the collective redundancies commences. The management has to detail the reasons for the closure, planned actions to find a buyer, and the conditions under which the employees may buy the site.

The works council has the right to nominate an expert to advise management in relation to its examination of the proposed closure.<sup>25</sup>

Note: in practice, in France this prospect is rather the exception, as under French law, the company can keep the clients. Selling a plant without clients proves to be, in most cases, impossible.

The challenge therefore, in practice, is how to position a plant (which lacks productivity and investments) in a new market.

At the same time, the case of Audi Forest<sup>26</sup> - a plant with recent investments and a skilled workforce - such a provision could bring opportunities to keep assets and skills.

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<sup>25</sup> See: <https://www.herbertsmithfreehills.com/notes/employment/2014-03/france-loi-florange-new-obligation-to-actively-look-for-a-buyer-for-a-site-before-closure-where-closure-will-result-in-redundancies>

<sup>26</sup> <https://www.lecho.be/entreprises/auto/pour-quelles-raisons-audi-preparerait-la-fermeture-de-son-usine-a-forest/10555032.html>