

ENERGY TRANSITION AND EUROPEAN SECTORAL SOCIAL DIALOGUE:

The case of the electricity and chemical industries

Summary report of the seminar held on 2 April 2015



CHALLENGES AND ATTEMPTED SOLUTIONS OF THE EUROPEAN SECTORAL SOCIAL PARTNERS

The energy transition, i.e. the transition towards a resource-efficient and low-carbon economy, is a strategic priority for the European Union that is causing profound changes in our societies. All sectors are concerned, though some more than others. Turning the transition into opportunities for European companies and workers means giving them an active role in addressing the associated challenges:

A fall in competitiveness with consequences on employment in Europe, resulting from an investment gap in power efficiency, infrastructure, renewable energy and the energy cost for energy-intensive businesses.

Changing jobs and skills, characterised by job creation, destruction and transformation, and by a growing gap between needs and existing competencies. Re-skilling and assisting workers in these new jobs is imperative.

Regional imbalances. Due to the diversity of energy mixes, industrial polarisation and brain circulation, some regions have been left behind, exacerbating the gaps between Member States.

Because of their practical experience in their sectors, the European sectoral social partners have a major role to play in the energy transition. European sectoral social dialogue committees (43 in Europe today, representing three quarters of the working population)⁹ are composed of employer representatives (ECEG for the chemical industry, Eurelectric for the electricity industry) and employee representatives (IndustriAll European Trade Union for the chemical and electricity industries, EPSU for electricity only).

In these two sectors, **the partners agree on the need for a transition but are questioning the way it is being handled**, as strategic policy does not adequately clarify who will pay what or anticipate perverse effects (such as plant closures and

imports of CO₂ emissions from non-European countries). At the European level, the balance between “planet, people and profit” is often accused of not taking sufficient account of business competitiveness and individuals.

The committees have adopted 800 texts on change management, restructuring, skills and training needs, the improvement of work conditions, health and safety at work, and so on. Around ten of these texts are **agreements** to be implemented at the national level through European directives or national processes. The vast majority are **sets of guidelines** (i.e. codes of conduct, monitoring reports, frameworks for action, recommendations, policy guidelines) or **joint opinions** and tools.

In the framework of the tripartite social dialogue, European sectoral social dialogue committees in the electricity and chemical industries have adopted common positions and responded to the consultations on EU policies on climate change, the EU’s 2020 targets, the EU 2030 Climate and Energy package, and the Energy Union, focusing in particular on the social consequences of climate policies around the concept of a “**just transition**”.¹⁰ The committee dedicated to the chemical industry has emphasised the need for a *level playing field* at the international level to make European industries more competitive (energy costs).

However, **they have not yet defined exactly what they mean by a “just transition”**. Neither have they put forward any practical proposals or signed any agreements on the subject.

¹⁰ “A just transition can be considered to be a transition (or change) towards a more sustainable and more environment-friendly economy, relying on social dialogue between governments, employers and unions, and encouraging strong growth and investment in low-carbon technologies. It also fosters a smooth social transition through the adaptation and mitigation of consequences for employees, the development of qualification or requalification (re-skilling) programs and the creation of quality jobs.” (extract from the draft common position on the “2030 climate and energy framework”, December 2013).

⁹ These 43 committees represent around 145 million workers.

Agreements on the adaptation of worker skills and qualifications¹¹ with regards to the energy transition have been reached but **they have not been implemented in all Member States**. Some European social partners, such as Eurelectric, have begun monitoring their autonomous agreements and have built trust with national representatives, but others remain uninterested or do not have any institutional partners. It is important to note that the number of reciprocal commitments has decreased since 2010.¹²

In some Member States, such as Germany and Poland, the energy transition is still a controversial topic because of its impact on the workforce. **Employer associations and national worker representatives are struggling to agree on key issues such as the energy cost, skills adaptation, industrial polarisation and ageing populations**. European social partners are sensitive to these difficulties, and **the European sectoral social dialogue committees are not preparing for these changes**.

In both the electricity and chemical sectors, European social partners must strive to be more representative of emerging new players (such as SMEs) in their own sector. The diversity of national social dialogue mechanisms makes this task even more complicated.

Due to the growing tendency to **retreat behind national boundaries**, which is also affecting social partners by making it difficult to coordinate national and European social dialogue, we are seeing **a dichotomy between the urgency of the issues to be addressed**, which vary according to the Member State, and the **structuring of the European sectoral social dialogue**. **European social dialogue committees are imperfect tools, and can be improved: they fail to grasp the key issues sectors are facing, or struggle to address them**. They will need to rethink the challenges faced at the national level to reaffirm their usefulness.



IN RESPONSE TO THESE CHALLENGES, HERE ARE SOME PATHS THAT MIGHT BE EXPLORED:

- **Involve the European sectoral social partners earlier in European policy making**, before consultations, so their joint positions can be heard and taken into account in the working hypotheses of the European Commission.
- Rethink the **structure of the European social dialogue so that it focuses on the challenges of the 21st century**:
 - **Skills**. The “youth guarantee” represents a first step; apprenticeships and the recognition of professional qualifications must be higher priorities. Industrial policy at the European level must address the problem of retraining workers;
 - **Anticipation of new business models**.
- **Foster greater subsidiarity** and address issues at the appropriate level:
 - The European level for trade and EU foreign policy;
 - The sectoral level for training and skills policy;
 - The regional level for regional revitalisation policy.
- **Rethink the liaison forum** established between cross-industry and sectoral social partners in Europe by fostering interactive debate with the European Commission.
- **Seize the opportunity to partner with subcontractors**, continuing refocusing and outsourcing trends in companies to ensure production quality, since SMEs have their own employment and skills challenges.
- **Follow the social partners’ recommendation for a comprehensive approach that systematically coordinates climate policy with investment, regional revitalisation and foreign trade policies**.

Social partners have only recently taken up this urgent issue. The vast majority of stakeholders have not become interested in the issues raised by the digital transformation until very recently, mainly from 2015 onwards. Yet the phenomenon is not a new one.

¹¹ European Framework Agreement on Competence Profiles for Process Operators and First Line Supervisors in the Chemical Industry, 2011; Joint Framework of Action on Competencies, qualifications and anticipation of change in the European electricity sector, 2013.

¹² Since 2010, the European sectoral social dialogue has essentially become a sort of “joint lobbying” (“Dialogue social sectoriel européen: une ombre au tableau?”, Christophe Degryse, ETUI, 2015).