

MET Sector Social Dialogue Plenary Meeting

5 December 2024

1. Welcome and formal approval of the agenda

Ceemet co-chair opened the meeting. The chair introduced the new co-chair from industriAll Europe.

The agenda was formally approved.

2. Statutory issues:

a. Formal approval of the minutes

The minutes of the plenary meeting of 07 of December 2023 were formally approved.

3. The 2024-2029 EU priorities for the EU (MET) Industry with a focus on the employment dimension

A representative from DG Employment, European Commission (EC), presented the state of play of the EC's work on the topic. The Commission is working on a policy analysis as regards the fair transition. This discussion takes place in the framework of challenging times.

The new Commission has just taken office at the time of the meeting, and in its first 100 days they will deliver different policy proposals as announced in the different Mission letters, such as the clean industrial deal. The Commission representative also referred to:

- The EU Green Deal was launched as a competitive strategy and linked to fairness in addition to climate neutrality. The Commission committed to leave no one behind including, company and workers
- The Initiative to set a Just Transition framework. The Commission's starting point was recognising the concerns of job losses, energy cost, competitiveness and geopolitical crisis.
- An initiative to promote sustainable competitiveness
- The Quality jobs roadmap to ensure fair conditions for all, that will be developed together with social partners
- The EU pact for skills
- the Council Recommendation to strengthen the Social Dialogue
- The Recommendation for a Just Transition. It covers social policy, highlighting the crucial role of social partners and funding. It is a non-legal binding tool.
- The Observatory for Just Transition that will serve to collect best practices in Member States with data on the impact on the ground
- The Public procurement revision that will be coming in Q12025

The EC representatives highlighted restructuring challenges in the industries. A recent Eurobarometer survey (2022) revealed general support for a JT framework with many concerns about energy costs.

Regarding the social climate fund, mentioned in the mission letter, it will be financed by 80 billion in total (it will operate from 2026). It is innovative because it funds structure measures and investments to help invest in energy and low-emission mobility and measures that support direct low-income. It will work in a similar way to the Recovery and Resilience plan, where Member States have to submit a plan in order to receive the funding.

The EC has already foreseen new proposals:

- The Clean industrial deal for competitive industry and quality jobs – DG GROW leading
- The Industrial accelerator plan
- The Union for skills that will amongst others, strengthen the EU pact for skills, promote digital skills, support upskilling & reskilling and address labour shortages. The Union of skills will come accompanied by an action plan on basic skills and a STEM strategic action plan.
- The quality job road map, as mentioned above, will be developed together with the Social Partners. It is linked to the Antwerp declaration. For the Commission quality jobs is a priority
- The Pact for EU social dialogue
- The First EU antipoverty strategy
- New EU pillar of social rights plan – to be released in 2025

The European Commission is working at the international level on Just Transition with the US and Canada in the energy transition.

- ETUC and IOE (International Employers' Organisation) adopted a joint position on JT and skills

The European Commission is also in the process of analyzing the recent challenges that Europe is facing including:

- Energy challenges
- New increased focus on defence: the external geopolitical tensions remain a key challenge with wide-ranging implications. As a matter of fact, strengthening the EU's defence capabilities was discussed as a priority.

It was noted by a French trade unionist that the problem of the green transition is the price, which has an impact on jobs and salaries. It is impossible to separate the green transition from the job implications. Companies, such as Arcelor Mittal, face difficulties in investing in electrification due to cheaper alternatives from China, highlighting the need for supportive measures.

Social resilience emerged as a crucial factor in ensuring a fair transition. The EC emphasized that success depends on inclusivity, warning that an unfair transition could lead to broader social and economic instability. A Polish trade union representative highlighted that 30% of the active Polish workforce is employed in industry, raising concerns over job losses, particularly given the high quality of these positions. In response, the EC acknowledged these issues and announced the establishment of a JT commission to address fairness concerns and mitigate potential risks.

An Italian employer also voiced concerns regarding the EU's push for electric vehicle adoption that has not yielded the expected results, as consumers are not purchasing electric vehicles. Consequently, the main outcome has been the creation of a market for other countries, such as China, which does not share the EU's emissions reduction priorities. Key questions were raised about investing in research for alternative solutions to electrification and promoting awareness of the energy-intensive nature of AI, advocating for responsible digital usage.

The DG EMPL spokesperson acknowledged the importance of digital transition, highlighting its connection to energy grids and water usage, and emphasising the synergy between green and digital transformations.

Further discussions touched upon the implications of telework on energy consumption and the need to ensure that transitions benefit workers, particularly underrepresented groups. The impact of these shifts on CO2 emissions and the Carbon Border Adjustment Mechanism (CBAM) will be assessed in 2025.

Regarding China's role, the EC recognised that emissions reduction is a global effort. While China is investing in lower emissions strategies, the international financing landscape needs to account for global cooperation. The importance of international financial support, particularly from China, in assisting other countries was underscored.

Finally, discussions explored how to create quality jobs in affected regions. References were made to Letta and Draghi's approach advocating the "right to stay" and "right to re-train," emphasising the need for innovation-driven job transitions.

a. industriAll Europe Secretariat

industriAll Europe noted a strong demand for a framework to anticipate and manage change. The main demands are:

- Investments with clear social conditionalities.
- Adaptation of trade policies to create a level playing field.
- A just transition framework to anticipate and manage change and its impact on employment focusing in particular on training, upskilling, and reskilling. Given the simultaneous rise in job cuts and skills shortages, ensuring a smoother transition between jobs is a priority.
- Temporary measures, similar to those implemented during COVID-19, to preserve key competencies and prevent deindustrialisation

A Finnish employer emphasised the country's goal of achieving climate neutrality by 2035. Key points raised included:

- Almost fully decarbonised electricity.
- A negative economic outlook.
- Limited access to funding.
- The need to ensure full implementation of existing regulations.
- The ineffectiveness of the "Brussels effect."

Concerns were also raised regarding innovation, particularly the EU's difficulty in scaling up new technologies. Investment remains a major challenge, with significant financial resources needed,

including contributions from the private sector. Emphasis was placed on building viable business cases and reinforcing existing strengths as a foundation for future growth.

The EC informed that the European Economic and Social Committee (EESC) recently passed an opinion on the Just Transition framework, supported by all three groups. The EC emphasised that they are focusing on implementation rather than on introducing new regulations, although some areas are still under development, such as the right to disconnect and workplace AI regulations.

An Austrian trade union stressed the urgency of action, calling for a level playing field, effective anti-dumping measures, and adherence to the Maastricht criteria. They also advocated for a more ambitious and proactive industrial policy, noting that weak demand, exacerbated by wages not keeping up with inflation, is limiting economic growth. Ensuring the prosperity of workers is essential for a successful Just Transition.

Similarly, a French trade union raised critical concerns regarding the EC definition of quality jobs, pointing out that the green economy is not currently driving job creation. They also questioned the EC's response to the ongoing inflation crisis, which is affecting all social classes. Job creation, along with strategic autonomy, must be prioritised to ensure a sustainable economic future.

b. Ceemet Secretariat

Ceemet reaffirmed its commitment to the transition but emphasised the heavy social impact of its pace. They called for EU investment while also stressing the need for companies to have the right framework to attract investment and for companies to innovate and keep creating jobs. To facilitate this, businesses must not be overburdened with excessive regulations, and efforts should focus on reducing administrative and reporting requirements.

In his final remarks, the EC spokesperson highlighted key concerns, including a lack of awareness regarding timing, the pressure on purchasing power following election outcomes, and miscommunications around pricing. He also noted the need for improvements in public procurement. Since 2021, energy poverty has been on the rise, further complicating the transition process.

4. (13:30 – 14:45)

Social Conditionalities Debate: what do social partners mean?

a. industriAll Europe

An issue that IAE considered crucial is ensuring that public money is used to pursue the common good. The matter is about good governance. There are many examples where this principle was not followed, such as in shipbuilding, where public funds were allocated to EU companies, yet the ships were built in Asia. A similar situation occurs with emission permits. Whenever public money is involved, it should be directed toward actions that contribute to the common interest and align with political priorities of a good industrial jobs compass.

There is a significant need for investment, but it is crucial to ensure that these investments are linked to guarantees for job creation in Europe. This issue is not new, as some legislation already exists. For example, in Germany, a project was developed to ensure that public procurement is awarded exclusively to companies that adhere to national collective agreements. In the defence industry, the principle of geographical return is applied. These principles are also outlined in the Letter Report, which will eventually be translated into legislation. Although a clear definition of social conditionalities has not yet been established, the fundamental understanding is that public funds must be tied to the creation of quality industrial jobs. industriAll Europe believes that this can be achieved through collective bargaining.

b. Ceemet Secretariat

For Ceemet, companies need to respect labour legislation; however, there is no desire to introduce additional legislation to access public funds. The existing employment obligations are already challenging, and there is hesitation to impose further regulations or obligations. It is straightforward to apply collective bargaining when it is in place but there is no reason to mandate companies to sign a CB in order to receive funds. The respect for the autonomy of social partners and companies is a key principle.

A French employer raised significant concern over the misuse of public funds by some companies, but it should not be the case that all companies are penalised because of the actions of a few. A French trade unionist replied that the origin of public money is a critical issue, especially since, in many cases, it comes from taxpayers (so workers themselves). A successful transition for businesses and jobs depends on collaboration between both employers and employees. So, social conditionalities must therefore be rooted in social dialogue to ensure that the future is shaped collaboratively.

In Austria, as explained by an Austrian trade unionist, there is an environmental fund of 5 billion euros allocated to support decarbonisation. This fund is dependent on the submission of decarbonisation plans, which must be approved by workers' representatives to ensure that job creation is considered in the process. This is a key safeguard to guarantee that the funds benefit both the environment and workers.

In terms of securing funding, there is the challenge of administrative burdens, especially when it comes to proving compliance with various requirements as emphasised by Ceemet.

A French trade union highlighted a specific example of a Greek shipowner who followed the rules but misused EU funds by building outside of the EU rather than creating jobs within the EU. This practice raises concerns about growing inequality and the proper use of public funds.

In Italy, the national collective labour agreement (CBNA) applies to all businesses, regardless of whether they are part of a collective bargaining (CB) agreement. However, there is no obligation to apply it universally. In cases where it is not applied, labour inspectors can remove tax incentives, which serve as a form of enforcement.

A key point raised by a French trade union was whether public aid could be accepted if it were not used within the EU. If the funds are used to pay dividends or are spent outside the EU, this raises

important concerns about the ethical use of public funds and whether they truly serve their intended purpose of supporting local economies.

Finally, the situation in Croatia and other Eastern European countries highlights the challenges of labour shortages. Many workers are leaving Eastern Europe for better working conditions in Western EU countries, which only exacerbates these challenges and underscores the need for better conditions and social dialogue across the region.

5. (14:45-15:30)

Company Practices to tackle labour shortages – Eurofound

A Research Manager at Eurofound, presented insights on how companies are responding to labour shortages. She began by defining what is meant by "labour shortages" and highlighted that one of the key drivers behind this issue is job quality. According to her, there is currently a mismatch in the labour market, with vacancy rates now exceeding pre-pandemic levels.

Eurofound uses its own set of indicators to assess job quality, which provides a useful tool for comparing data across EU member states. The Researcher emphasised that attracting workers is not solely a matter of increasing pay. Other important factors include access to remote work options, greater flexibility in working conditions, better communication about career paths, and opportunities for career progression. She also raised the importance of activating under-utilised labour market resources and improving strategies to retain existing workers. In terms of recruitment, companies are experimenting with various approaches to attract and engage talent.

A French trade unionist questioned the reliability of current statistics used to define labour shortages, suggesting that the concept is often based on misleading or incomplete data. He also pointed to issues of unfair competition between countries, citing Liberty Steel in the Czech Republic as an example. The company received significant state aid, but the funds eventually disappeared. Frederic asked what mechanisms could be put in place to prevent this kind of situation in the future.

Another French union highlighted the role of vocational education as an essential part of addressing labour and skills shortages.

Ceemet added that while there is a clear need to tackle labour and skill shortages, bringing in workers from outside the EU is only one possible solution, not a silver bullet. Migration can help, but it should be seen as part of a broader strategy.

Eurofound responded to a question on data measurement, acknowledging that while there are limitations in the quality of available data, Eurofound relies on two key indicators that allow for meaningful comparisons among member states.

A representative from Finland's employer side noted that public funding for companies often comes with specific objectives attached. However, he cautioned against introducing additional burdens or obligations that could stifle flexibility or efficiency.

A trade unionist from Sweden countered that social dialogue should not be perceived as a punishment or a burden. On the contrary, it should be seen as an incentive and a constructive tool in labour relations.

A representative of the French employers brought up the issue of dividends, questioning whether it is realistic to expect companies to avoid distributing dividends when they benefit from public funds. He also mentioned the growing concern about "legislative inflation", a perceived overload of regulations.

industriAll Europe shared the experience from Italy, where ESG criteria are increasingly being included as conditions for accessing finance. She noted that this approach aligns with similar developments in the United States through the Inflation Reduction Act, which she sees as a positive reference point. The Italian employer pointed out that in Italy, some trade unions had refused to negotiate on ESG criteria. Nonetheless, she agreed that the use of public money should be subject to certain conditions. However, she stressed that imposing mandatory social dialogue on small and medium-sized enterprises would be unfeasible.

A Finnish employer representative followed up by clarifying that collective bargaining should not be seen as a burden. What matters is that the process is sufficient to comply with national governance requirements.

6. (16:00 – 16:30)

Reports from the working groups and other activities:

- SSD C&E
 - Outcomes and activities of 2024
- SSD E&T
 - Outcomes and activities of 2024
- Approval of the work programmes for 2025

The work programs for 2025 for the working group “Training and Education” and “Competitiveness and Employment” were formally approved.

7. (16:30 – 16:45)

AOB

- TRIREME update: next workshops and plan

Both Secretariats gave an update on the work in progress if the joint European Project TRIREME focused on the social transformation in the automotive sector.

- Date 2025

The secretariat reminded the participants of the 2025 dates:

- 11/03 C&E
- 07/05 E&T
- 10/12 Plenary
