



EMCEF contribution to the consultation on the EU Commission working document on the future "EU 2020 Strategy"

EMCEF, officially recognized as a European Social Partner in the chemical, energy, extractive and gas industries, welcomes the European Commission proposal to lead the European economy towards a **new sustainable social market economy, as well as towards a smarter and greener economy**. This positive approach testifies of the commitment of the Commission to promote economic growth, social cohesion and sustainable development.

The EMCEF is convinced that good social provisions are a societal productivity factor and, as such, they can only play an important role if they are fully integrated into the concept of sustainability. Accordingly there is the need to grant the corresponding importance to these issues in the EU 2020 strategy.

Today's world political view is dominated and shaped by three crises: the rapid pace of climate change, the financial and economic crisis and the price instability for raw materials and for food. From a trade union perspective, this situation presents itself as one of the largest and most difficult challenges of recent decades.

Confronted with the effects of the global economic and financial crisis, industrial workers are increasingly worried about their job security.

EMCEF is convinced that the **keys for overcoming the current financial and economic crisis are sustainable development and economic growth**. The **basic requirement** to avoid further crises and more dismissals is a **better regulation of the financial markets**. In our opinion an active and forward looking strategy should intensively focus on this issue as it was and remains the main reason for the current crisis.

Economic performance and the strengthening of the European industrial basis, particularly through a structural change towards a greener economy is from our perspective another decisive factor for antagonizing the crisis, climate change and the risks associated with globalisation, and for creating jobs and social integration.

On economic-political grounds the structural change and the promotion of a transition towards a low carbon industry seems the right way to reach sustainable development. However, more measures and initiatives are necessary in this context, particularly regarding the social consequences of structural change.

To organize structural change in a socially acceptable way is an absolute priority to protect the "European Model" with its high economic, technological and social standards, and to allow its future social, economic and ecological development. A sustainable social market requires a just social transition that provides security for the workers. Therefore EMCEF supports the **integration of the principle of a "just social transition"** as an objective in the EU 2020 strategy.

A sustainable economic policy of the European Union has to accompany and to convey the structural change and **guarantee a fair transition and**



decent jobs. Further the EU has to ensure fair competitive conditions in Europe and in the world whilst supporting the development of the existing industrial base. Economic, environmental and social minimum standards concerning globalisation and the economy, have to be developed by the policy and social partners.

In the opinion of EMCEF, an **effective European social policy is crucial.** The present coordination between member states regarding social policy issues should therefore be further developed and widened. Only with an improved European social policy is it possible to face the challenges of today in a credible manner. The judgements of the European Court of Justice (Viking, Laval, Rüffert etc.) have evidenced clearly the need for a real European social policy.

EMCEF agrees with the analysis of the Commission on **demographic change.** Ageing populations mean that the retirement of increasing groups has to be financed by ever shrinking shares of the population. This poses a **special challenge to the solidarity based pension systems** and we have seen a number of supplementary pension systems be created across Europe. Often these have their roots in collective agreements, as trade unions have had to realize that the national political systems were unable or unwilling to address the problem. Protecting pension savings have become a separate issue with the financial crisis. Many pension funds have lost substantial sums through the speculations of others. Even carefully administered pension funds have suffered from the drop on the financial markets

Demographic change puts not only the financing of the pension and social security systems in question, but **it also becomes more and more difficult for the industry to find young qualified employees.** There is the real risk that urgently required competences are going to be lost with the aging of the workforce. With the Commission, we believe that new policies must demonstrably contribute to the improvement of the efficiency of public systems, to social cohesion and to the fight against unemployment.

Priorities of the EU 2020 Strategy

EMCEF supports in principle the key priorities chosen by the Commission:

1. Creating value by basing growth on knowledge

Correctly the Commission describes that **knowledge is the engine for sustainable growth for Europe.** Knowledge as a social productivity factor can only be effective, as such, if it is correspondingly promoted. EMCEF supports the analysis of the Commission in this matter.



The performance of and perspectives for the workers in the current and future industry depend on their **qualifications and skills**. A lack of skills is a problem not only for the individual but for the society as whole.

Particularly in the **knowledge based sectors** covered by EMCEF, such as the chemical industry, education plays an essential role. In the coming years the restructuring and further developing of offers for education like for example in the new sectors, such as renewable energies, will be also of significant importance. In this connection the involvement of companies will be a determining factor.

However the measures concerning education described by the strategy document should not focus only on school- and university education. It is important, particularly in the frame of the structural change, to offer **good frame conditions for occupational retraining and further education** in order to make the transition to new jobs easier and possible for the workers. This must apply to all occupational and educational levels.

The **concept of lifelong learning** has not spread across all sectors and ages equally so far. Age-based offers of education have to be developed, planning and consultancy in educational issues should be available on individual level for all persons.

Social partners have a determining and crucial role to play. In the framework of social dialogue they can identify new solutions, strategies and possible initiatives as well as take own ones.

Obviously the right framework conditions and investments are necessary concerning education. A good approach by the EU, particularly regarding occupational retraining of workers affected by restructuring measures as a result of globalisation, or by structural industrial changes as a result of climate change policies, is the possibility to access the **Global Adjustment or European Social Fund**. From EMCEF's point of view these measures should be further developed and the accessibility should be further improved.

2. Empowering people in inclusive societies

The crisis and globalisation have led to many restructuring measures and relocations in the sectors covered by EMCEF. Many workplaces were lost and it seems that they will not be replaced soon. We agree with the Commission that the ability to enter into a new job after a dismissal depends on the respective skills and qualifications of the workers.

The **flexicurity concept as an instrument of labour market policy** can only work if there is a real balance between flexibility and security. Developments in the past show a clear lack in this. High standards of security



are necessary to ensure the mobility of the workforce and this is not the case in many European countries.

So far the flexicurity concept in most of the cases has led to a strong increase of **precarious employment**. Temporary and contract workers were amongst the first to be affected by the crisis without having the necessary safeguards. Young people for the majority were affected, while in fact they should benefit from the concept by having an easier access to jobs. The current situation is however the opposite, as the figures on youth unemployment in Europe show. In many European countries social security systems do not cover them sufficiently either, and there is no offer for further education/training for young people.

Forms of precarious work and subcontracting often undermine collective agreements, **lead to wage dumping and social dumping and compromise the principles of social democracy**.

The EU cannot expect to compete globally in a sustainable manner through low wages and bad social conditions. It should promote the idea of **a just labour market which guarantees equality and decent work for all workers**.

A positive approach and a political direction given by the EU in this context is the temporary agency workers directive, which at least guarantees to temporary workers the same rights as the permanent workforce, such as wages, holidays, etc.

More initiatives are however needed and the EU must fulfil the social responsibility it has. In our opinion the EU 2020 strategy should address these problems concretely and propose new approaches. Social partners have a key role to play in this regard.

3. Creating a competitive, connected and greener economy

EMCEF shares the opinion of the Commission that **our industry's future is closely linked with the regulation and promotion of ecological modernisation, innovation and the security of supply of raw materials**. The problems caused by climate change and an increasing European dependence on raw materials, require a structured transition to a "greener economy". Only this way is it possible to reach economic growth and employment.

Europe needs an **ambitious future-oriented industrial policy** to secure the industrial base of the EU as fundament for sustainability and to maintain its role as an important industrial region guaranteeing employment and social standards.



Capacity for innovation, emission reductions, energy efficiency and technological progress are the keys to a new economic model.

EMCEF is convinced that there are **exceptional opportunities of development, economic growth and employment in the new industrial** sectors such as green chemistry, agro chemistry, nanotechnology, biotechnology, recycling, water preparation, insulation materials and renewables.

EMCEF is further convinced that the European economy can only play a strong role if there is a **balance between industrial production and services**. Therefore regarding structural change EMCEF welcomes the approach of the Commission that aims to accelerate the modernisation of Europe's existing industrial sectors.

Investments in Europe should therefore be made in new technologies, research & development, and innovation. In terms of innovation policy, the **EU 2020 Strategy should also include social innovation tools**, such as employee driven innovation, networking and workplace learning through company structures. These tools can be developed to improve the innovative capacity of the workforce, in order to turn the workers knowledge into active tools to enhance the innovativeness and competitiveness of European enterprises and countries. The governments and the companies are requested to fulfill their duties. The social partners should be more involved in these processes.

Social dialogue on national and European level is a tool that should be further developed and intensified. A better involvement of the social partners in creating economic, social and environmental minimum standards is still essential. Social dialogue and a developed public sector can be the basis for developing a competitive edge.

Also sector specific aspects should be further treated in the EU policy and the experiences from the High Level Groups can be used to this end.

According to the Lisbon strategy, the **scale of EU R&D investment** together with the 7th Framework Programme should reach 3% of the European GDP by 2010, of which two thirds should be private investment. Energy and environment-related work are considered central investment areas of the 7th Framework Programme.

However, in reality EU R&D spending is way lower than its political commitments. Moreover, in international comparisons, European spending falls behind the USA and Japan, while growth in R&D spending lags behind China and Japan.

The EU and the national governments have the duty to support investment measures in order to secure Europe's industrial base.



4. A new world order, active participation and public awareness of civil society

A new world order is emerging, and with it we are entering into a new era of international cooperation. In EMCEF's opinion the **EU 2020 Strategy should focus on the EU strengths in this new world order**, in order to develop strategies which ensure the competitiveness of the European industry, social standards being an important part thereof.

Industrial democracy and workers' participation, both individually and through their trade unions, are essential factors in the global process of change, and crucial for guarantying transparency, democracy and social standards. Workers' rights such as negotiating and implementing collective bargaining standards or the participation rights in EWC's and in national works councils, but also the involvement in political decision processes are essential tools, necessary to maintain the right social dimension in the EU.

EMCEF, defending workers rights in Europe, is prepared to contribute to the socio- economic policy of the EU and expects the Commission to emphasize the importance of the role the social partners must have in this process.

As a last remark EMCEF wants to stress that the **visibility and the awareness for the new EU 2020 Strategy** should be improved and further developed. Implementing this strategy can lead to a success only by involving all the parties concerned and by promoting a maximum of transparency and understanding for it.

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