

Tripartite Social Summit – 25 October 2023

Intervention of Esther Lynch, ETUC General Secretary

A Green Industrial Policy for a Great Jobs Economy

Brussels, 25 October 2023

[Check against delivery]

President von der Leyen, President Michel, Prime Minister Sanchez, Vice-President, Commissioner, Vice-President, Deputy Prime Minister, Secretary of State, colleagues,

An effective Green Industrial Policy as the only way to deliver a successful European Economy for workers and companies

There are essentially four good reasons why Europe needs to bring forward a Green Industrial Policy at the present time.

To begin with, Europe needs to be climate neutral by 2050. Decarbonizing industrial production without deindustrializing Europe is a major challenge that needs a deliberate Europe wide plan.

Second, Russia's invasion of Ukraine and the end of use of Russian gas demonstrates the dangers of an industrial policy too much focused on cost competitiveness and with too little attention to promoting innovation and strategic autonomy. We need to repair the damages of past cost-competitiveness approach.

Three, Europe needs to win the fight for talent, labour shortages are a common challenge in EU member states. Shortages in sectors vital to the green and digital transition risk failing to attain common objectives because we are failing to do what is needed to attract skilled workers, men and women, build our human capital, and create a Great Jobs Economy.

Four, the competitiveness of the EU economy is suffering from lack of public and private investments, high energy costs, high interest rates, shortage of affordable homes that workers need to live in, lack of the transport that will bring them to work, the childcare and schools for their children, or of the health care and other public services and social protection they can rely on, as well as the facilities and services in the communities they live in.

Call for a Green Industrial Policy

What these challenges call for is comprehensive European Green Industrial Policy to accelerate on, and make a Europe wide success of, the green and digital transitions and to underpin quality jobs and social progress. This requires greater EU and national government involvement in the economy, including by means of an active industrial policy supported by a wide range of instruments.

But there are a couple of missing pieces:

First, a statement of purpose. We need to adopt an agreed definition of what we mean by European Green Industrial Policy. The definition must guarantee a triple dividend, success for companies, workers and environment, to guide and support the

transformation of the economy to achieve EU climate, economic and social objectives, including the creation of great jobs covered by a collective agreement.

A European Green Industrial Policy needs real commitment

We need real commitments to put forward and implement the necessary instruments to support such European Green Industrial Policy:

Money

An effective European Green Industrial Policy means investments to support the economy in all Member States, regions and sectors.

This means getting the reform of the economic governance rules right to align them with the achievement of the rights included in the European Pillar of Social Rights and to provide Member States with the necessary room for manoeuvre to finance this industrial policy.

This means ensuring equitable access to new funding for all regions through additional, complementary EU fiscal capacity / resources at EU level.

Social conditionalities

An effective European Green Industrial Policy means providing a guarantee that strong social conditionalities will be included in all forms of public funding and support to companies. This is of high importance to develop a strong European Green Industrial Policy with significant and effective public investment that underpins great jobs and social progress. Great jobs should be as a top priority for policymakers when designing and implementing industrial policies.

Likewise it is key to revise the Directives on public procurement and concessions to make sure that only companies that respect workers and trade union rights, negotiate with trade unions and whose workers (including their subcontractors' workers) are covered by collective agreements, get access to any form of public funds, including grants and fiscal benefits. Public procurement rules need to guarantee that tenders support the creation of great jobs with quality conditions and fair pay covered by a collective agreement, public money should no longer create a race to the bottom.

Involvement of social partners

An effective European Green Industrial Policy means involvement of social partners and ensuring their empowerment to guide and support the transformation of the economy. This includes introducing a directive for just transition in the world of work through anticipation and management of change, based on the principles of trade union involvement and collective bargaining. Also, measures to ensure that women can more easily enter, remain and return to the workforce.

Great jobs

An effective European Green Industrial Policy means tackling labour shortages through the creation of great jobs with higher pay, improving working conditions and investing in training. Those sectors in which labour shortages increased the most from 2019 to 2022 tended to offer generally poorer working conditions ([wages are in average 9% lower in sectors with labour shortages](#)).

An effective European Green Industrial Policy means having the skills needed for the transformation of the economy by taking action to ensure the right for all to lifelong training without cost to the workers and during working time – as an individual enforceable right.

Effective governance

Strong operational governance will be one of the keys to our successful European Green Industrial Policy.

This is needed to address coordination and policy coherence among the many different actors and stakeholders, governance areas and instruments and projects, including investments, supports, legislative and policy initiatives. An effective European Green

Industrial Policy requires all EU policy and legislative initiatives to contribute to achieve this objective.

A key step in this area would be to repurpose the Regulatory Scrutiny Board and to transform it into a highly competent body responsible which includes social partners to ensure that the achievement of EU climate and social objectives and the creation of great jobs are put at the core of EU policy and legislative initiatives from the outset.

Tripartite Social Summit

Finally, the Tripartite Social Summit should play a key role and guide the assessment and delivery of our European Green Industrial Policy.

In this framework, we welcome the Spanish and Belgium Presidencies commitment to work with us and support us in making the TSS even more effective.

Ambition to deliver a European Green Industrial Policy

Colleagues,

You can rely on the European Trade Union Confederation in our joint ambition to deliver a European Green Industrial Policy.