

ETUC Position on Equipping workers with necessary skills for the green transition

Adopted at the ETUC Executive Committee meeting of 16-17 March 2022

Background

On 1 July 2020, the European Commission published the <u>European Skills Agenda</u> which focuses on upskilling and reskilling for green and digital transitions of the labour market.

The European Commission presented a <u>Proposal for a Council Recommendation on</u> <u>learning for environmental sustainability</u> on 14 January 2022 following a 2-phase <u>public</u> <u>consultation during 2021</u>. This Council Recommendation deals with learning about environmental awareness and sustainability for all, while the <u>Commission proposal for a</u> <u>Council Recommendation on ensuring a fair transition towards climate neutrality</u>, presented on 14 December 2021, focuses also on skills development for workers in green transition. EU social affairs ministers met on 15 February 2022, to discuss the issue of skills, both for young people and adults, to meet the challenges of the green and digital transition.

The following position includes the views of the trade unions on the European Commission's policy and it summarises ETUC's views on equipping workers with necessary skills for the green transition.

There are no jobs on a dead planet. This is why reducing rapidly EU greenhouse gas emissions is a top priority for European trade unions. Meeting greenhouse gas emissions reduction targets is crucial if Europe is serious about fulfilling its commitment under the <u>Paris Agreement</u>. However, to achieve these targets climate policies need to be **socially fair**. Unfortunately, the <u>European Green Deal</u> is not yet accompanied by the equivalent social policies to make this transition a just transition, in line with the implementation of the **European Pillar of Social Rights** and the <u>Porto Declaration</u>. We acknowledge that the <u>Proposal for a Council Recommendation on learning for environmental sustainability</u> and the <u>Commission proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality</u> try to build on these policies.

The **COVID-19 crisis** impacted everyone, transformed the way people work, and increased awareness on climate change (e.g. by changing consumption, transport, work). As the EESC recent opinion¹ reminds us, everyone needs the necessary knowledge and information on sustainable environment to effectively fight against, and adapt to, climate

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¹ European Economic and Social Committee: <u>Towards an EU strategy for enhancing green skills and competences for all (own-initiative opinion)</u>, 2020

change. Also, everyone needs to understand and anticipate its foreseen effects such as floods, wildfires, heatwaves, and extreme weather events².

Climate policies will have a **strong impact on workers** and will require massive training, reskilling and upskilling. This transition should be used as an opportunity to create quality jobs with good working conditions in all sectors and regions. Reskilling and upskilling workers need to be seen as a social-economic responsibility. The **role of employers** in supporting workers' access to training is therefore essential. Access to training should be ensured to workers regardless of their contractual situation, in any sector, geographical area of Europe, and in companies regardless of size. Often part-time and short-term contracted workers, predominantly women, young people, migrant, solo self-employed and low-qualified workers have less access to training. Specific attention should be given to those people and vulnerable groups in skills strategies. We are concerned that the new EU initiatives on individual learning accounts and micro-credentials can leave workers solely responsible for their own skills development, while the changes in their jobs is impacted by climate policies that are disconnected from their social consequences.

Cedefop³ reports that 46.1% of the adult population, approximately 128 million adults in Europe, needs upskilling and reskilling.⁴ Employee training is a key element of any mitigation policy, and workers in sectors that will be negatively impacted **need effective support** to access training, reskilling and upskilling programmes. We welcome that the Proposal for a *Council Recommendation on learning for environmental sustainability* also addresses the VET and adult learning sectors, but we regret that it does not deal with employee training and workers' needs when it comes to the green transition of industries.

Skills strategies cannot be separate from quality job creation and retention strategies. Indeed, training, reskilling or upskilling programmes won't be of any use for workers if they live in an economically deserted area that does not offer alternative job opportunities. Workers need alternative quality jobs in the same regions where the effects of the transition will be felt. For this to happen, the European Union and its Member States should develop the right industrial policies to maintain jobs while avoiding carbon leakage and succeed in the relocation of industrial activities in Europe.

The importance of skills development in mitigation, in adaptation to climate change, and in the circular economy

To speak about skills for jobs in the regions and sectors affected by the green transition, we need to be concrete about the skills need and go beyond the narrow prism of basic and digital skills. Skill changes in the economy will have to match the changes ahead brought by mitigation and adaptation policies as well as the shift to a circular economy. These policies will have different effects on different segments of the workforce, which means that we need differentiated and targeted approaches to meet these challenges.

When it comes to mitigation, pursuant to its climate law, the EU must reach climate neutrality by 2050. The climate agenda, starting with the implementation of the "Fit for 55 Package", will massively accelerate the transformation of the world of work. Quantitatively speaking,

² EESC: Towards an EU strategy for enhancing green skills and competences for all, 2020

³ CEDEFOP: Empowering adults through upskilling and reskilling pathways. Volume 1: adult population with potential for upskilling and reskilling, 02/2020

⁴ From sectoral perspective it is foreseen that 1.5 million new jobs will be created in the power sector, 1.1 million jobs in the building sector, and 100,000 in the agricultural sector, while appr. 150.000 job losses are predicted in the automobile sector. In: <u>McKinsey: Net-Zero Europe</u> <u>Decarbonization pathways and socioeconomic implications</u>, 2020

the fit for 55 package might have a possible aggregate impact on employment (equivalent to a loss of 494.000 jobs by 2030 or a possible creation of 110.000 jobs in aggregate) which however dissimulates strong sectoral and regional variations⁵. The workers directly affected need support in the transition period to be reskilled and accompanied. The skills challenge in the decade ahead is enormous but is it feasible if the right policies are put in place. We believe that it is necessary to take into account regional and local differences and not only the global data and to support the most impacted regions.

Adaptation⁶ strategies to the climate changes we are already facing will also affect many sectors in terms of organisation of work, skills needs, investment capacity and employment (increase of heat stress, floods, heatwaves, wildfires, drought...). Many sectors will need their workers to adapt their skills and trainings to cope with those changes⁷. This requires effective policies on skills forecasting and updating professional and occupational profiles with the involvement of the trade unions in the decisions.

The shift to a circular economy will also require to upskill/train workers. According to latest joint EU social partners project⁸, the impact on employment of the shift to circular economy would differ widely between sectors where some sectors such as waste management, repair, maintenance, recycling, re-manufacturing and re-use would benefit the most, while sectors such as extractive industries, primary basic metals, materials and chemicals as well as some durable goods would be negatively impacted. The joint EU social partners project highlights that the shift to a circular economy tends to require higher skills for workers as they need to adapt to the use of recycled materials. At the same time, the shift to circular economy would likely also lead to an increase in demand of mid-level qualifications - mostly in the repair and maintenance – which could help mitigate the actual trends of dualization in the labour market. More broadly, circular thinking will need to be applied in every sector, industry, profession and educational programme. The circular economy should be "integrated into all levels of education, as the changing nature of many jobs will require knowledge about how to apply circular principles, such as resource efficiency, know-how about new materials or new service models in different professions, and digital skills."9

To succeed in this transition, anticipation of skill needs will be of paramount importance. Trust in workers and confidence from the employees in the process will also by key. In that regard, upskilling workers to keep them in the same company is the most reassuring policy. It is also essential for companies to ensure that acquired competences are not lost. When this is not possible in the same company and job-to-job transition is necessary, keeping workers in the same sector and allowing them sufficient time for reconversion, without financial losses for the worker, is essential. It should also be made sure that workers can find alternative job opportunities in the same regions they are active today, in order not to jeopardise communities support to the necessary transition.

Inclusive employee training will also be key to the success of the green transition. Indeed, involving employees in the development of training plans will help anticipate correctly the skill needs. It will also likely lead to more innovation towards clean technologies and circular

⁵ Commission Staff Working Document, Impact Assessment "Stepping up Europe's 2030 climate ambition Investing in a climate-neutral future for the benefit of our people". ⁶ ETUC, 2020, <u>A guide for trade unions</u> - adaptation to climate change and the world of work; <u>ETUC project</u> on adaptation and the world of

work; ETUC Resolution: A new EU adaptation to climate change strategy for the world of work 7 ILO: Greening Jobs and Skills, 2010

⁸ Final Report of the EUROPEAN SOCIAL PARTNERS' PROJECT ON CIRCULAR ECONOMY AND THE WORLD OF WORK

⁹ Sitra Report: How does the circular economy change jobs in Europe, March 2021

economy processes as workers are active actors of on the ground innovation in the companies and sectors.

The EU's decarbonisation strategy needs to be based on coherent policy coordination and planning. Linking closely the EU's Industrial Strategy and skills policies is therefore of prime importance. This should lead to increased coordination also at national level. The workers need to know how their jobs will change and what kind of new jobs will be created. We acknowledge the Commission's proposal of co-creating transition pathways for the 14 industrial eco-systems identified in the European Industrial Strategy and emphasise the important role that social partners play in that respect, notably when it comes to identifying training needs and developing skills strategy.

The importance of skills development in just transition

To support those regions and sectors that will be negatively impacted, the **concept of just transition** should be mainstreamed across all EU policies, **including the skills strategies**. Decarbonisation should lead to the maintenance and creation of sustainable quality jobs in all sectors and regions. This is necessary in order to avoid rising inequalities among regions and to ensure cohesion and upward convergence.

In the skills policies context, a just transition means:

Rigorous socio-economic impact assessments and detailed just transition strategies to anticipate changes and create alternative job opportunities in those regions and sectors that will be affected by these changes. ETUC requests for a more granular analysis of the effects on employment and skills at regional and sectoral levels in support of tailor-made regional strategies for a job-to-job transition of workers.

Guaranteeing the **right to employee training, reskilling and upskilling**, as well as active labour market policies to ensure that workers are well equipped with the new skills needed. Learning about environmental sustainability is essential for all adults and the EU countries should strengthen their **adult learning strategies and the financing of adult learning**. The implementation of the 1st principle of the **European Pillar of Social Rights** is essential in order to guarantee the right of all workers to access quality and inclusiveness employee training on the skills and competencies needed for the green transition. Better access to employee training for all workers with different contractual situation needs to be guaranteed by the companies within collective agreements. It is essential to ensure that quality and inclusive employee training links to quality jobs, decent working conditions and just transition. In order to support the low-skilled adults and workers within the green transition, the effective implementation of the <u>EU Council Recommendation on 'upskilling pathways'</u> is of utmost importance.

Validation of skills of the workers gained within everyday work is essential to ensure that their skills are well recognised in new jobs with good working conditions. Validating their skills and competences, providing them with quality guidance and counselling, ensuring their access to paid educational leave, and access to full qualifications are essential for just transition. In that regard, ETUC is concerned¹⁰ that only seven EU countries have a specific national budget line for validation, while others use a decentralised approach and short-term

¹⁰ ETUC Position on enhancing validation of non-formal and informal learning, 2021

projects to support validation. In order to make validation processes available for all and fully inclusive, they must be free and take place within public institutions.

Effective social dialogue and collective bargaining to ensure a strong participation of workers at all stages of the process, including in adapting skills strategies, training funds, access to training and qualifications as well as organizing training and VET. Job-to-job transition is necessary for ensuring the smooth transition for workers and avoiding periods of unemployment. Social protection is the collective responsibility of all stakeholders, social partners, local authorities, education and VET providers, and the public employment services, and therefore should be secured through social dialogue. We request that trade unions are involved in the European and national level governance on skills strategies for the green economy and in setting up the "common principles and a shared language on sustainability" which is one of the actions of the Commission's initiative within the Council Recommendation on Learning for environmental sustainability. Social dialogue with the trade unions at company, sectoral and national level is essential to make this policy initiative effectively implemented. Social partners play a key role in defining skill needs, updating qualification profiles, and providing guidance to workers. It is also important to provide support to trade unions to train their representatives on green transitions and to guide workers to access skills training and validation procedures.

We welcome that the *Council Recommendation on ensuring a fair transition towards climate neutrality* underlines that workers should be involved in the development and implementation of national skills strategies. However, we deplore the fact that the Council Recommendation will have no immediate effect on Member States as it is merely soft law. Moreover, we regret the fact that the Council Recommendation lacks ambition in promoting strong collective bargaining systems and coverage across Europe.

Just transitions should also be supported by sufficient **financial means**. The EU initiative should ask Member States to guarantee a **sustainable public budget** to support environmental responsibility education in adult learning, validation of informal and nonformal learning, and guidance and counselling. This should be monitored by the European Semester and Social Scoreboard. ETUC welcomes that the *Council recommendation* requests EU countries to use the RRF and other EU financial tools (ESF+, Erasmus, ERDF, ETS auctioning revenues¹¹, etc.) to support environmental learning. However, these tools are also important to ensure access to skills development for workers for the green transition of industries which lead to quality jobs with good working conditions, and social partners should be involved in allocating the funds for skills needs.

Additional ETUC demands on equipping workers with necessary skills for the green transition

We underline the importance of **respecting national competence** concerning the improvement of VET and adult learning systems, regulations on defining qualification requirements and on pursuing professions for the green transition. Access to **full qualification** needs to be a right to all adults and workers based on validated and certified trainings and green skills and environmental awareness. Referring to the *Council Recommendation on learning for environmental sustainability*, we <u>remind</u> that trade unions support micro-credentials only when they are complementary to full qualifications, quality

¹¹ The ETS "<u>Directive 2018/410 of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and lowcarbon investments, and Decision (EU) 2015/1814" provides that Member States should use at least 50% of auctioning revenues or the equivalent in financial value for climate and energy-related purposes.</u>

assured and accredited, when they are recognised as a proof of achievement and not only validated, and they play a role in validation of non-formal and informal learning (NFIL).

The European Green Deal announced that the European Commission would prepare a "European competence framework to help develop and assess knowledge, skills and attitudes on climate change and sustainable development." We regret that the *Council Recommendation on learning for environmental sustainability* does not focus efficiently on **vocational education and training and adult learning.** Also, it does not present solutions to the workers and the unemployed for them to access quality and inclusive **employee training** which could help them to acquire the skills needed for green transition. We underline that upskilling and reskilling of the workers is a social-economic responsibility and not an individual one. Therefore, workers should not be left alone to find and finance trainings on skills for the green transitions of industries. The *Council Recommendation* should underline more **the responsibility of the governments and companies** towards ensuring effective, quality and inclusive trainings for quality jobs and just transition for the workers.

Equipping workers in the green transition needs to link to the right to **paid education leave** which should support workers attending study programs or courses for career development in relation to new green jobs and for their own interest in order to be more aware of environmental changes and sustainable development.

Intelligence to **forecast skill needs** for new jobs and tasks and to link to effective industry and skills strategies is essential in relation to this initiative. Social partners and the PES need to be involved in forecasting skill needs and matching these with jobs and training provision for workers. We welcome that both Council Recommendations focus on the importance of skills forecasting. The Commission should set up a yearly indicator/benchmark until 2030 on the number of adults and employees participating in trainings on green skills, on green competences and environmental awareness and on responsibility. This could follow the example of the European Skills Agenda that set up a benchmark on participation in digital skills trainings.

We underline the importance of adjusting **apprenticeship** programmes to skills needed to the green transition. With reference to the *Commission proposal for a Council Recommendation on ensuring a fair transition towards climate neutrality* we would like to stress that the implementation of the Council Recommendation on European Framework of Quality and Effective Apprenticeship should be enhanced in order to ensure high quality, inclusive, fair and paid apprenticeship for all, and that skills provided to apprentices include environmental responsibility and climate awareness.