



## ETUC Strategic Assessment of the Clean Industrial Deal

Adopted at the Extraordinary Executive Committee meeting of 15 April 2025

The Clean Industrial Deal (CID) offers both opportunities and challenges for trade unions and workers. While it includes improvements in social conditionalities, just transition, and demand-side policies, it falls short on investment, job security, and energy affordability. Given the legislative landscape—where the Council is likely to dilute worker protections, and the European Parliament remains fragmented—ETUC must focus on leveraging key legislative moments, mobilizing Member States, and ensuring binding commitments where the text remains vague. This assessment focuses our joint advocacy and builds on existing ETUC positions<sup>i</sup>.

### Key Areas for ETUC Advocacy

#### A. Stronger Social Conditionalities – From Commitments to Binding Legislation

**Current Status:** The CID for the first time links social conditionalities to public and private funding and collective bargaining, but commitments remain nonbinding and vague.

**Strategic Focus:**

- Push for mandatory social conditionalities in all funding, including State Aid, public procurement, auction procedures, Competitiveness Fund (CF) and Multiannual Financial Framework (MFF).
- Include clear clawback mechanisms in public funding and de-risking measures to ensure that companies that violate social, labour, or investment conditions repay the support received.

#### B. Job Protection & Just Transition – SURE 2.0 and Stronger Worker Safeguards

**Current Status:** The CID acknowledges job protection needs but lacks a concrete EU-level mechanism, such as a moratorium on layoffs in the form of a short-time work and reskilling scheme (SURE 2.0). Trade unions still support the transition, but social acceptance is weakening due to the failure to deliver the number of quality jobs and affordable, decarbonised products promised.

**Strategic Focus:**

- Fill the Quality Jobs Package with key worker dimensions, with legally binding workers protections and rights
- Push for an EU Just Transition Directive urgently, mandating worker consultation and binding protections for anticipation and management of change.
- Advocate for a proactive SURE 2.0 and significantly expanded Globalization



Adjustment Fund as part of the EU budget and recovery mechanisms, ensuring a permanent short-time work scheme and support to workers to avoid unnecessary redundancies.

### **C. Energy Policy – Reducing Dependence on Fossil Fuel Imports and Decoupling Electricity Prices from Gas**

**Current Status:** The CID and other recent and planned EU policy does not address the structural flaw of fossil fuel import dependence and electricity pricing—where gas makes up 14% of power generation, it sets the wholesale market price 40% of the time<sup>ii</sup>—increasing costs for Energy Intensive Industries (EII) and households. It also fails to acknowledge industrial CO<sub>2</sub> prices are expected to rise significantly which will impact competitiveness. Proposed remunerated flexibility also raises concerns for EIIs.

#### **Strategic Focus:**

- Push for reliable, affordable and competitive prices and structural reform of the electricity market, including the decoupling of electricity prices from gas. Curb excessive profits in electricity generation and trading.
- Facilitate lower borrowing costs and flexible, region-based investment in renewables, grid infrastructure and other related European Public goods through public investment and ownership via pan-European funding.
- Foster the “energy efficiency first principle”

### **D. Investment & Financing – Securing EU-Level Funding & Avoiding Budget Cuts**

**Current Status:** CID relies mainly on State Aids and de-risking private investments through the MFF-based instruments and private investments without establishing a new EU-wide investment capacity. While CID contains proposals such as the creation of the EU Industrial Decarbonisation Bank, aimed at delivering loan guarantees, it does not offer additional public funding capacities. The CF aims to focus on cutting-edge technologies and risks to do little for industries facing actual huge redundancies. Overall funding proposals risk diverting existing MFF and other resources away from cohesion and social objectives.

#### **Strategic Focus:**

- Push for a dedicated EU investment facility funded by common debt, paired with the activation of a general escape clause for all needed investment, a new reform of the European restrictive fiscal rules and a reform of State Aid rules to support industrial decarbonisation with strong social conditionalities.
- Ensure industrial transformation funds prioritize regions at risk of deindustrialization and only de-risk investment that would not happen otherwise. Ensure key industrial capacity is not misdirected to rearmaments.
- Repurpose the CF into a dedicated EU industrial investment tool that can support decarbonisation efforts, preserve industrial capacity across all regions and create quality jobs. It should support convergence between Member States and regions. The scope of the fund must be expanded and anchored in common EU borrowing. Acknowledge that adequate financing cannot be achieved within current MFF. New own resources are already urgently needed for actual MFF policy needs.



## E. Ensuring a Level Playing Field

**Current Status:** The CID proposes measures to regulate foreign investment, enhance trade defence mechanisms, and address global industrial overcapacities. Member States are encouraged to impose conditions on projects that involve foreign investments, such as ownership of the equipment, requiring EU-sourced inputs, EU-based staff recruitment, and joint ventures or intellectual property transfers. Trade Defence Instruments (TDIs), including anti-dumping and anti-subsidy measures, will be accelerated by shortening investigation timelines. The CID describes the goal to strengthen the EU's global trade position by concluding FTAs and fully implementing existing ones.

### Strategic Focus:

- The CID makes no reference to human and workers' rights or sustainability in the conclusion and implementation of new FTAs or Clean Energy Partnerships.
- A new approach is needed to EU trade policy which creates sustainable value chains, respects the environment, and provides decent work for workers.
- Support the efforts to strengthen the EU economic protection toolbox such as the FDI screening regulation, the Foreign Subsidies Regulation and TDIs.
- The CBAM review must take into account lessons learned during its initial implementation phase, as well as recent trade developments. The EU must take urgent measures to prevent carbon leakage since industry cannot wait one more year to eventually get a policy update in a context of high CO<sub>2</sub> price for EU industries.

## F. Strengthening Industrial Demand – From Weak Signals to Concrete Measures

**Current Status:** CID includes some welcome demand-side policies (public procurement reforms, incentives for local supply chains), but these lack urgency and are insufficient to create a stable domestic market for European industry.

### Strategic Focus:

- Push for stronger public procurement requirements that favour European industry, covered by collective agreements, with high labour and environmental standards rather than just lowest price.
- Advocate for local content requirements, employment and resilience criteria in EU-funded industrial projects to support European supply chains and prevent taxpayer money from subsidizing job outsourcing.
- Ensure enforceable wage and labour rights in line with International Labour Organization conventions in trade agreements, to promote human rights and prevent job displacement through social dumping.
- Ensure ongoing impact assessments of effectiveness of each of these measures with a focus on socioeconomic impacts.

## G. Trade Union Involvement in Governance of Industrial Policy

**Current Status:** CID lacks a clear governance framework ensuring trade union involvement. Decisions on industrial policy, investment priorities and sectoral support remain largely technocratic. The EU partnership principle is not applied, and questions of democratic oversight are unresolved.



### Strategic Focus:

- Ensure the application of the EU partnership principle to all CID and other related policy, ensuring structured involvement of trade unions at EU, national, regional and sectoral levels.
- Ensure trade unions are involved in the selection and governance of the Innovation Fund, new and existing Important Projects of Common European Interest (IPCEIs), and other funds.
- Push for a governance structure of the CID with formalised social dialogue in the design, implementation and monitoring of industrial strategy.

### Conclusion & Recommendations:

The CID marks progress but remains insufficient in protecting workers, ensuring investment, and securing affordable energy. ETUC must focus on legislative opportunities to secure important and urgent wins for working people and oppose a deregulation agenda, particularly the proposed Omnibus and 28<sup>th</sup> regime. Deregulation and reduction of administrative burden will not save any of the jobs facing forced redundancies now. By strategically engaging with the Council, Parliament, and Commission, ETUC and its affiliates can turn weak commitments into enforceable policies that protect workers while supporting industrial transformation.

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<sup>i</sup> Numerous related resolutions on are available in French and English on the ETUC website, notably on Industrial Policy, Energy Union, Moratorium on Redundancies, Social Conditionalties, Trade, Just Transition Policy Framework, MFF, EU investment facility, Savings and Investments Union. [Adopted documents | ETUC](#)

<sup>ii</sup> [Natural gas is becoming the undisputed king of Europe's power markets - Euractiv](#)