



European Economic
and Social Committee

Public hearing on

INDUSTRIAL TRANSITION TOWARDS A GREEN AND DIGITAL EUROPEAN ECONOMY: REGULATORY REQUIREMENTS AND THE ROLE OF SOCIAL PARTNERS AND CIVIL SOCIETY

16 November 2020 | 10:00 – 13:00 | Online event

Conference Highlights

On 16 November 2020, the EESC organised an online hearing in connection with its exploratory opinion requested by the European Parliament on *Industrial transition towards a green and digital European economy: regulatory requirements and the role of social partners and civil society*. Europe is undergoing a green and digital transformation, and the European institutions are committed to ensuring that people remain centre-stage and that the economy works for them. Contributions from the social partners and civil society organisations are necessary to make our society resilient and ready for future challenges in the economy, industry, social protection, and in the way we work, shop and travel.

Welcome address

Pietro De Lotto, president of the Study group on Industrial transition towards a green and digital European economy



- The green and digital transition is a crucial issue, especially now as the pandemic has made the transition more complex and topical.
- EU and national institutions should adopt a comprehensive approach to help our industrial society enter a new paradigm.

Panel discussion: Using the history of past transitions to explain the present and shape the future

Moderator: Lucie Studničná, rapporteur for the EESC opinion on Industrial transition towards a green and digital European economy, EESC



- We are in the middle of the pandemic crisis, which has made it clear how necessary are the changes to the current economic model.
- The trends toward digitalisation, climate goals and the climate agenda show that we are at a crucial moment and we should try to rethink our approach: we should reconstruct the European economy and European industry. We need to involve all stakeholders.
- Today we have a unique chance to reshape and restart the European economy to make it sustainable, green and fair.
- The COVID-19 pandemic has made more pressing the need for much broader and stronger participation by the social partners and civil society in policy-making at all levels



Achim Vanselow, IG Metall North Rhine-Westphalia

- Industry can be an important enabler for the green and digital transition. This has to be supported by an active industrial policy from the EU and the national level.
- **Trade unions support a just transition to a green and digital industry.** However, IG Metall has identified a **gap between theoretical potential and implementation on the shop floor.** IG Metall's "Atlas of Transformation" (2019) – a survey that includes assessments by works councils from nearly 2 000 establishments – indicates that more than 50% of establishments have no concept how to shape transformation. Only a minority informs works councils and the work force at an early stage about projects for change.
- **Transparency, worker participation and codetermination are key for a successful implementation of change processes** and to get the essential acceptance and motivation of workforces for the upcoming transition and for creating resilient and sustainable companies. Trade unions have the knowhow and the tools to support this change in a social partnership approach.

Tuomas Pussila, Programme Manager, Industrial Circular Economy, The Circular and Bioeconomy Centre, Lapland



- Trust is the keyword in keeping businesses running.
- Cooperation with various stakeholders (local universities, municipalities, ministry of economy, nature, etc.) is important.
- Real change and impact takes place in industrial regions. Kemi, an industrial region, has decades of experience of an industrial circular economy that can be applied across Europe.
- Waste from one actor should be a resource for another.

Carlo Polidori, Project Manager, Screen-lab – Synergic Circular Economy across European Regions



- The diversity of the European regions has been hindering the creation of a common set of circularity criteria, since the assessment process has to adapt to the regional circumstances.
- It is crucial to have experts on circular economy in each region. The regions have stated that staff may lack the skills needed to organise a sound assessment process: more specific-formation is needed.
- Companies need clear financial incentives before deciding to include circularity as part of their strategy. Their past investments create a path of dependency for their industrial process that is costly to change. Thus they might not see benefits in the short-term from adapting their business to the circular economy.

Loukas Stemitsiotis, Head of Unit, Thematic Analysis, Directorate General for Employment, Social Affairs and Inclusion, European Commission



- Climate inaction is not an option. Climate action is an essential part of recovery plans for Europe.
- **Employment creation resulting from climate policies will be mainly in middle-skilled, middle-income jobs.** This can help counter job polarisation resulting from automation and digitalisation.
- **A successful transition requires more specific professional skills, more science, technology, engineering, mathematics (STEM) skills,** and other transferable skills. Investing in reskilling and upskilling is essential for a just and inclusive transition.
- The Commission has proposed a number of initiatives that will help us to adapt and ensure that the transition to climate neutrality is inclusive and just.

- **Social dialogue** facilitates the transition towards a more sustainable economy. Social partners should engage actively, for Europe to be able to achieve a just transition.

Panel discussion: Towards a fair and just transition

Moderator: Pietro de Lotto, president of the Study group on Industrial transition towards a green and digital European economy, EESC



- We need strong measures to foster companies' competitiveness, promote new skills, and meet new consumer needs.
- We have to redefine industrial policy: we need to drop the conservative approach and assume an innovative and disrupting one. We need to adopt a new paradigm.
- SMEs will play a key role in the digital transition.

Agnes Jongerius, Member of the European Parliament



- The European Parliament has been working on a comprehensive report on a just transition: it is time to move away from empty promises about the social aspects and deliver.
- The European Parliament pleads for a strong social Europe. Both the Green and Digital transitions can be carried out in a social and inclusive way, focusing on people.
- We need to ensure that no one is left behind: to this end, the Commission and the Member States must commit to binding social targets at the Porto Social Summit, and institutions and stakeholders all need to work in the same direction.

Luc Triangle, Secretary General, IndustriAll Europe



- The transformation of our societies, especially digitalisation and decarbonisation (implementation of the climate objectives), has been accelerated by the pandemic.
- No one and no region should be left behind. A just transition is not only about training and retraining: we need appropriate jobs in the regions. Otherwise, people will leave their regions to look for jobs elsewhere and this will increase territorial inequalities.
- We need more resources to achieve a fair and just transition, bridge the investment gap in infrastructures, strengthen EU leadership and ensure a level playing field for EU industrial and energy sectors.

Véronique Willems, Secretary General, SMEUnited



- **A just transition not leaving anyone behind can only happen when the 99.8% of companies in Europe** – small and medium sized enterprises – are on board as well.
- SMEs experience severe impacts from the pandemic, facing serious liquidity shortages and gradually also seeing their survival threatened. **We need solvency support instruments to allow re-capitalisation of SMEs and Early Warning Mechanisms** to give advice for their turn-around.
- In the **digital transformation**, many SMEs took a giant leap during the lockdown in spring. Now authorities at all levels must guarantee the necessary infrastructure is in place to allow further development of e-commerce, digital services and digitalising processes.

- In the **green transition**, it is necessary to take the investment cycle and negatively impacted investment capacity of SMEs into account. The SME test on the Climate law legislation must ensure impact on SMEs is avoided or mitigated.

Victor Meseguer, Director, Social Economy Europe



- Social Economy is important for the transition, because it offers collective responses and proposes collective entrepreneurship, capitalising on human capital.
- Social Economy contributes to save jobs: an option to save enterprises is to transfer them towards the workers. A social economy enterprise will never re-locate, because it is made up of its workers. Social economy is fundamental to ensuring no one is left behind.
- It is not the same to have a renewable transition led by local communities, where benefits are reinvested there to ensure local development.

Ulla Engelmann, Head of Unit for Advanced Technologies, Clusters, and Social Economy, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, European Commission



- The Commission has looked at the recovery through the looking glass of **industrial ecosystems**. This approach enables us to take into account the views and needs of all stakeholders and institutional players. As each ecosystem needs specific measures, it is very important to look at the different kinds of measures that have been taken and check if they match the needs of that precise ecosystem. Recovery will also be led via the **Recovery and Resilience Facility (RFF)**, which has 7 flagships.
- It is very important, when tackling the digital and green transition, to have the right skills. The European Commission recently launched the "**Pact for skills**", which is part of the European Skills Agenda and aims at bringing together all players of an ecosystem to create partnerships.

Closing remarks

Lucie Studničná, rapporteur of the EESC opinion on Industrial transition towards a green and digital European economy, EESC



- The EU needs to strengthen cooperation, participation and information at different levels. We need to involve the different levels, from the EU to the local ones.
- We need to reskill and to have more resources for the just transition.
- The social dimension must be taken into account. We need practical steps to make things happen.

