

## European Conference for a Just Transition, 4-5 March 2024

### *Breakout 2: Reconversion of Industrial sectors*

#### **Presentation in the plenary session**

Good morning everyone, honourable Minister, distinguished delegates, ladies and gentlemen,

My name is Clara Dassonville and I work for SOLIDAR, the European network of more than 50 members organisations advancing social justice through a just transition. Since two years we are coordinating the European Alliance for a Just Transition, who contributed to the writing of the EESC Opinion.

We'd like to thank the Belgian Presidency for the organisation of this **very** timely and **very** relevant conference, and I'm very happy to report on the discussions that happened in Breakout two on the **reconversion of industrial sectors**. I will do my best to transcribe as faithfully as possible the discussions.

Let me set the scene first. With the 2050 commitment to climate neutrality, and more recently the 2040 emission target reduction, the EU has set in motion the green transition. This means accelerating the electrification of the continent, transforming our industries, and this requires massive planning and investment strategies. But the green finance gap is huge, and we're lacking a comprehensive industrial policy at the EU level. Mario Draghi, preparing his report on competitiveness, made it clear: the EU will have to spend 500 billion euros a year in the green and digital transition.

This has to be factored in the context of acute competition from the US and China.

And this comes in a tricky context in Europe, where we're facing economic downturn, inflation, high energy prices, rising inequality, and social unrest.

The presentation from Kris Bachus from the University of Antwerp made it clear: the climate transition is **creating opportunities**. It urges the need for a strong industrial policy to accompany European industries and businesses, to safeguard our economic development and to provide decent jobs. As one participant rightly pointed out, it's **not only** about leaving no one behind, but it's about **bringing people in**.

This strong industrial policy is vital because it should address the asymmetric impacts that the green transition will have in member states, and reduce disparities between them, by implementing the green transition **and** providing opportunities to everyone. So what are the concrete actions that we can implement? There are **three messages** that I'd like everyone to take on board this morning.

**The first one, is that the next EU industrial policy will benefit people.** The overall impact of the green transition on the labour market is **positive** compared to other trends like digitalisation. Some jobs will disappear, others will be created, and most will be transformed. The opportunities brought about by the green transition will not impact everyone the same way, depending on their **region, gender, skills, etc.**

But we can make this transition socially just. Participants recommended to accompany workers in the transition by **boosting skilling and reskilling programmes** and **apprentiships for adults**, but also by **providing social safety nets, social protection and strong social services**. It's also

about rights: guaranteeing workers' rights and labour rights, and strengthening collective bargaining. In this sense, the just transition councils in Germany could be taken as an example, but I'm sure many of you are aware of similar good practices in Europe and beyond.

**The second message that we have to remember, is that the next EU industrial policy will have a strong governance framework.** Current tools such as the Just Transition Mechanism and the Social Climate Fund are welcomed, but they are too narrow in size and scope to be fit to the challenge. That's why we need policy coherence: breaking the silos existing between the climate, economic and social agenda, and review our existing programmes such as the CAP or the MFF to align them with just transition objectives. Participants suggested extending the JTM to other sectors such as agriculture, but ultimately this should be left to the local and regional level – and perhaps to the Just Transition Observatory – to decide to which sectors of JTM should be extended.

Here, the main governance tools mentioned were a **Just Transition Directive** for anticipation and management of change based on social dialogue, as well as a **Just Transition Observatory** with a Scoreboard and indicators to research, monitor and implement a Just Transition. This has to be balanced though with the need to remove administrative barriers that for instance burden our SMEs, since they are the backbone of the climate and economic transformation we need.

Orchestrating the next EU industrial policy would be nothing without **social dialogue**. Here, just transition dialogues or stakeholders consultations are key to ensure that social and civic partners are in the driving seat of the transition. They need increased capacities as they will, ultimately, be the ones implementing a just transition on the ground.

The **third and last message** that I'd like to convey this morning from the discussions from the breakout room is that we need a **serious EU funding strategy**. Here, several tools should be used, such as massively investing our **education systems and in lifelong learning, but also in research and innovation**. Other participants raised the need to implement **social and environmental conditionalities to public procurement**, as well as the need to **multiply green loans**. A strong industrial policy goes hand in hand with a strong financial framework to enable investments in the green transition, and this also means rejecting austerity policies but also keeping a level playing field. (pause)

Thanks to all the input of the honourable experts and practitioners in the room, we have all the content and knowledge **we need to sketch out the industrial policy of the future**. And we hope that this will be reflected in the next Commission cycle.

We've heard a lot about leaving no one behind and supporting our communities, but it's precisely the **lack of a clear and fit for the future industrial policy that is failing our communities**.

It's the **lack of reskilling programmes** and social safety nets that are leaving workers in the dark and increasing backlash about climate policies.

It's **the lack of a strong governance framework** that leaves our regions struggling with implementing a green transition that is socially just.

It's **the lack of sufficient investments** that is leaving behind our welfare states, businesses, SMEs.

So it's about working together to build an industrial policy that **reconciles climate, social and competitiveness policy**. Thank you very much.