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NOTE

From: Presidency
To: Permanent Representatives Committee/Council
Subject: European Semester 2024: Green collective bargaining
- Policy debate

Delegations will find attached a Presidency steering note on the above subject, with a view to the policy debate at the Council (EPSCO) on 27 November 2023.

DISCUSSION GUIDANCE NOTE

"Green collective bargaining for a fair green transition"

Decarbonisation of the economy, energy efficiency, the circular economy and, more generally, climate change, are now central issues on the political agenda of the European Union and its Member States. This is evidenced by the European Green Deal and the various initiatives within it - such as the *Fit for 55* package- that contributes to achieving climate neutrality by 2050, as set in the European Climate Law, and the reforms and investments supporting the green transition, including *REPowerEU* and the national recovery and resilience plans in the context of the *NextGenerationEU* funds.

The fair transition towards climate neutrality is a key challenge of our time and is far-reaching, affecting many areas, including labour and social affairs. Enhanced employment, decent working conditions and protecting the environment cannot be competing realities. On the contrary, they are intertwined, complement each other and form a common agenda to serve the well-being of society and the needs of companies and workers. The European Green Deal and action towards a Social Union must be properly articulated and mutually beneficial at all levels. The European Pillar of Social Rights also recognises the importance of the green transition and its impact on social rights and employment challenges.

The green transition brings opportunities but also challenges on employment and working conditions, and that these will become more impactful in the coming years. As in other areas, social dialogue between the European institutions, governments and cross-sectoral and sectoral social partners, must play a prominent role in defining and implementing environmental and energy policies; also, more generally, all policies related to the green transition because of their impact on employment and working conditions.

For this reason, Council Recommendation of 16th June 2022 on ensuring a fair transition to climate neutrality, which seeks to reconsider the socio-economic impacts of the green transition, invited Member States to adopt and implement packages of measures to promote a fair transition in close cooperation with the social partners. In particular, the policy packages are considered decisive in developing actions to support the people, sectors and territories most affected by the green transition. This is especially true in a context where social policies to address the energy transition are still at a very early stage in most Member States, and social dialogue is key to their effective development.

As pointed out by the Commission's Communication of 25th January 2023 "Strengthening social dialogue in the European Union: harnessing its full potential for managing fair transitions", meaningful social dialogue and effective collective bargaining are essential to identify balanced solutions shared by businesses and trade unions to encourage a fair transition to a decarbonised economy and to promote a green and social Europe.

Furthermore, Member States must ensure an enabling environment for bipartite and tripartite social dialogue, including collective bargaining at all levels, including the involvement of social partners in a systematic, meaningful and timely manner, in the design and implementation of employment and social policies and, where relevant, economic and other public policies, including in the context of the European Semester.

The Plenary Session of the European Economic and Social Committee on 14th June 2023 adopted an Opinion entitled "Green collective bargaining: good practices and future prospects"¹.

In this Opinion, the EESC states that "businesses and workers must have proper channels for participating in efforts to support environmental protection and combat climate change". While respecting the role of national industrial relations and the autonomy of social partners, promoting green collective bargaining is a way to give attention to the green transition.

¹ <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/green-collective-bargaining>

The EESC considers that the discussion of environmental issues in the context of collective bargaining refers to negotiable clauses - as shown in the examples in the appendixes to the above Opinion- between the social partners in the context of collective agreements that have a direct and indirect impact on the environment. These clauses may cover, among other things:

- a) the impact of business activity on the environment.
- b) the protection of workers from the effects of the environment and climate change.
- c) the green transition's impact on a business' activity in terms of work organisation, changes in the professional profiles and skills of workers.
- d) internal monitoring of the implementation of the conditions contained in points a), b) and c).

Among the Opinion's conclusions and recommendations, the EESC calls on the Union and the Member States to continue to further support actions and initiatives that incentivise companies and workers to adapt to the green transition, and to consider, among other measures, a concept of delegated employees to act as environmental transition representatives or points of contact for issues related to the environmental and ecological transition in the workplace.

At the European cross-sectoral level, the green transition and its challenges on the world of work have been addressed, for example, in the European Social Partners' Statement of 30th May 2017 on tapping the potential from greening the economy for jobs creation² or in the Recommendations of 9th December 2021 on circular economy in the framework of social dialogue³.

Despite the several initiatives above-mentioned, the role of social dialogue and collective bargaining in managing and ensuring a just green transition could be further strengthened.

² https://www.buinessurope.eu/sites/buseur/files/media/position_papers/social/2017-05-30_european_social_partners_statement_on_greening_economy_for_jobs_creation.pdf

³ https://resourcecentre.etuc.org/sites/default/files/2021-11/Final%20report%20circular%20ecenomy_Recommendations_v3_0.pdf

In view of some existing agreements in several European sectors and companies, which are cited in the above-mentioned EESC Opinion, it is necessary to move towards green collective bargaining where the social partners, at different levels of bargaining, have a significant role to play in making companies more sustainable, resilient and productive, as well as rooted in decent work.

The possible content of green collective bargaining could be:

- the impact of the green transition on employment and territorial and social cohesion;
- the creation of green jobs;
- transitions between different sectors of activity and the required skilling and reskilling of workers;
- mobility in cities to access workplaces;
- energy efficiency in productive activity and in the provision of work;
- information and consultation of workers through the appointment of representatives on green transition or their participation in specialised committees;
- environmental training of the negotiating parties of collective agreements.

All these issues should be addressed from a gender perspective.

In addition, it is also worth reflecting on the role of collective bargaining in relation to creating fair working conditions and preventing occupational risks in the face of climate change, such as situations of extreme temperatures or other adverse weather phenomena, given their major impact on the health and safety of workers.

Lastly, green collective bargaining can be a suitable instrument to advance greater democracy at work and, at the same time, allow the European Green Deal and the Social Union to complement each other, also considering the objectives set out in the Pillar of Social Rights.

In this context, Ministers are invited to exchange views on the following issues:

- How can collective bargaining support the fight against climate change, increase environmental sustainability and accompany a fair transition towards climate neutrality? Are there any recent experiences and good practices of green collective bargaining in your Member State?
 - While respecting the autonomy of the social partners, what measures could be taken by the Union, Member States and social partners themselves to promote green collective bargaining? What role could the European Semester play?
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