

# Industrial relations for a green economy

Innovative bargaining processes for a sustainable growth and a quality employment



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by  
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## Guidelines for the trade union green economy initiative

Industrial relations in Europe have always been, and continue to be, an added value for international competitiveness in the manufacturing sector and generally contribute to high standards of protection and to promoting dignity for workers in Europe, in comparison with the other economic areas of the world.

This observation should be borne in mind when tackling the new challenge of the green economy, which needs to be capable of maintaining this achievement of our civilisation and social progress, in order to offer the other economic areas of the world prospects for significant social prosperity.

First and foremost, the green economy requires a greater sense of responsibility in the economy and industrial activities. Future generations have the right to happiness and prosperity, which begins with being able to enjoy basic necessities which are vital for human existence. These natural resources include the quality of everything from air to water resources, from food and medicines to spectacular biodiversity.

The green economy needs to be managed with the interest of future generations in mind, with the sagacity to ensure proper and correct use of natural and material resources which future generations will also need to fulfil their requirements. Human resources also need better protection in this economy, as it is humans who participate in creating the goods and services needed to ensure the wellbeing of society.

Industrial relations in the green economy and for sustainable development can be an arena *par excellence* for quality development, which ensures that resources and raw materials are used wisely, the value of human resources is recognised and useful value is created to guarantee balanced distribution of capital to employees and the local community in areas where industries are based and operate.

### 1. The processes of negotiation and participation

#### 1.1 Knowing, studying and understanding the potential of the green economy

The term “green economy” no longer refers solely to the renewable energies industry, proper water resource management or other purely “green” activities. With the concept of the circular economy, which differs from an economy based on the linear process-product concept, a new industrial and economic logic is entering in which reverses the previous economic paradigm.

This process is in the starting-blocks and has many new implications for the transformation of both current logistical and organisational structures and specific manufacturing processes, as well as the intrinsic nature of products themselves.

The business world is witnessing, and will continue to witness, a contrast between pre-existing interests and those emerging now. An example of this is the contrast between fossil fuel and renewable energy. However, trade unions must rise above this conflict of interests, study and come to understand the meaning and consequences of this challenge, as well as actively participate in the transformation with a strategy based on the Just Transition.

Instead of letting other people's interests dictate to us, we should be protagonists in every sector of activity, reading and anticipating the changes which are afoot. The new model of development is hugely significant: it is a change of paradigm.

Until a few years ago, the environment was hardly ever mentioned in company plans. Now, it is becoming a key, determining factor, and in many cases is even the first item on the list of priorities. This trend is set to increase in the immediate future. Civil society and Trade Unions have a role to play on it.

## **1.2 Innovating and anticipating**

Critical problems to do with the environment, starting with phenomena linked to the acceleration of climate change, are becoming more serious, causing increasing damage to society, huge social impacts and human lives as extreme weather events increase in number and intensity. We are also facing the sixth global mass extinction of species with lack of knowledge to stop it.

The response to increasingly serious environmental issues has been to consider production and consumption from a different perspective. At the same time, energy production must move away from its reliance on fossil fuels in order to eliminate the risks associated with climate change.

In order to tackle environmental issues and the problems associated with climate change, we need a wealth of cultural, technological, industrial, organisational and social innovation. The need for this transformation is all the more urgent when we consider the latest demographic growth trends: a 50% population rise is predicted by the end of the century, increasing the global population from 6 billion at the beginning of the 2000s to 9 billion by 2100. This demographic growth is very alarming due to the pressure it will apply on the environment's natural resources, such as the availability and quality of freshwater, air quality in large urban areas, the loss of biodiversity and the erosion of higher-yield land, with much higher average levels of access to goods and opportunities for wellbeing around the world.

As a result, the environmental aspect of development and economic and social organisation is becoming a global emergency. As such, the competitiveness of the best and most appealing development models will be measured according to this yardstick.

European trade union organisations, together with other civil society associations, must be protagonists and key players in this new model for development.

Europe have to make a significant contribution by continuing to set an example when it comes to building civilisation and social progress along distributive and participative lines.

### **1.3 “Taking part” in the green economy: platforms for participation and the role of trade unions**

As we know, models of industrial relations in the European Union vary widely due to the specific situations in each country which make a standard model difficult. Some countries have centralised models, either at national or regional level, whereas in others company bargaining plays a stronger role. Therefore, there is a range of different arenas where workers’ representatives can truly participate in the countries of the European Union. However, we see an emphasis on decentralisation across the board, with the aim of linking workers’ issues with more specific problems at the level of individual companies. It is necessary that trade union bodies can be more involved in decision-making procedures and strategy choices to do with restructuring and organisational innovation in companies. The cases studied as part of this project demonstrate the breadth and range of approaches adopted by social partners to incorporate environmental issues into the traditional company agenda. In some cases, companies are attempting to anticipate on a broad scale (i.e. covering broad geographical areas) the effects of predictable changes which the green economy could make to production systems and labour, both by designing measures to facilitate reskilling and drawing up plans to transform obsolete, non-competitive or unsustainable production systems, or improve their environmental impact and reduce the costs and waste which stem from poor management of raw materials.

In other cases, a social dialogue at regional level helps to acquire knowledge about future employment, qualifications and skills needs linked to environmental and new responsible transports policies. This approach take into account regulatory requirements and technological developments that achieve environmental objectives (technical developments routes and technologies helping to increase the value or productivity). It helps to disseminate or to build social innovations too.

In some cases, trade unions have acted as protagonists, at the forefront when it comes to making original proposals to support sustainable development, whilst in other cases the company management or local institutions have been responsible for coming up with innovative projects. In all cases, though, trade unions must rise to the challenge and prepare to partner with others as these changes take place, understanding and highlighting the potential for synergies between quality jobs and quality industrial processes. This is also true from the angle of environmental sustainability: in short, it is no longer enough to simply bargain over the quality and quantity of jobs in the company, but also what is being produced (sustainable products, “from the cradle to the grave”) and how it is being produced (manufacturing processes and their impact on the environment),

### **1.4 Structuring and qualifying representation: new rights and positions**

During this initial phase of transformation, trade unions need to foster the emergence of specialist positions including in trade union representation at the workplace.

We must continue to act to improve health and safety at the workplace. Across Europe, thanks to the importance accorded to the topic of protection for workers’ health, we have successfully pushed for the appointment of a designated workers’ representative or representation body for this topic, with specific rights to and platforms for information, training and trade union initiative at the workplace.

We now need to obtain direct workers’ representation rights at the workplace for the environmental dimension, too as it exists only in few countries of Europe.

The national contract for workers in the Italian chemical sector gave Workers’ Health and Safety Representatives the competency of representing environmental protections rights in the region on behalf of workers. This could prove a useful example which could be used as a model to roll out at European level.

Workers should be able to report to such a representative in order to ensure that both public and private sector employers apply continual environmental improvement (CEI) standards. Continual environmental improvement should be a clear identifying feature of all economic sectors, starting with those industrial activities in Europe which have the greatest environmental impact. European industrial activities need a new identity based on new efficiency including social and environmental performances and not only economic one. Everyone knows that workers play a key role in transforming patterns of production and consumption as they are not only workers but consumers and citizens making choices too.

When seeking to structure and qualify representation, there is also great potential for trade unions in defending and raising awareness of environmental issues and sustainable development among workers in their capacity as citizens. Some of the cases studied as part of the project clearly demonstrate this approach. Moreover, by investing and working in this direction, we can claim back platforms of representation currently occupied by other actors (environmental associations, ad hoc citizenship groups), which are often capable of mobilising people's enthusiasm but not of transforming this into proposals, because they lack the competencies and organisational capacity to come to the negotiating table. Sometimes trade unions play a role of mediation between some stakeholders because of an organisational capacity to bargain and to settle agreements.

## **2. The environment and social responsibility**

### **2.1 The rise of corporate and regional social responsibility**

We need to create and foster a genuine culture and practice of corporate and regional social responsibility. To remain coherent with the renewed European Union plans and the position of the European Trade Union Confederation, we must develop a multi-stakeholder approach which integrates (whilst clearly defining their different roles) social responsibility with collective bargaining and allows trade unions to carry out their role as connectors, working both outside of and within companies. Thus, we need to go beyond the frequent prevarications and contradictions of corporate social responsibility, since intent is not to be confused with unilateral company decisions, and environmental protection issues must be integrated with matters of social equality, economic democracy, lifelong learning, legality and transparency.

### **2.2 Growing recognition for local areas**

In coherence and in synergy with the approach to social responsibility, company development must also be further rooted in the local context.

Local areas need to find their identity again, recognise the value of their own natural resources, and develop and protect their values and social and cultural properties.

Industry and the economy must contribute to this process.

We must transform a conqueror's mind-set into a structured plan for social, economic, inclusive and participative development taking into account environmental challenges.

Recognising the value of local areas and civil society's initiatives is vital, and as such, trade union organisations must be able formulate proposals and policy suggestions in the following three areas, to begin with: what can be done to boost awareness of the importance of the local area; how they can encourage or compel companies and their representation bodies to agree on joint objectives; and what the authorities need to do, from European right down to local level, to translate this increased recognition for the local area into practical action.

### **2.3 Developing a “multi-stakeholder” approach and preserving social dialogue**

The topic of the environment is an extremely complex one, which by its very nature encompasses other social, economic, production, technological and geo-physical issues. Thus, traditional “bilateral” dialogues (workers and companies, trade union organisations and employers) are no longer sufficient. This doesn’t mean that social dialogue doesn’t maintain its role of main tool for improving working conditions and resolving conflict between capital and labor; but Trade Unions need to open up and encourage wider involvement of other actors who are considered environmental “stakeholders” of different descriptions in the local area. Indeed, by agreeing to use the term “stakeholder” we have already adopted this position: according to William M. Evan and Edward R. Freeman, stakeholders are defined as subjects which could influence or be influenced by the company. The company must therefore bear in mind subjects who, although they may not have a direct impact on processes or profits, will nonetheless bear the consequences (of a negative impact on the environment, for example). This is not an easy step for trade unions to take, but equally we must not think that we are losing part of our decision-making and representative power. If equipped with the necessary skills and knowledge, trade unions could actually benefit a great deal by opening up the debate, as they can put themselves forward as “connectors” between labour and employees’ organisations and those working towards long-term economic sustainability. The best way to prevent local environmental conflicts is for trade unions to become involved and workers’ representation bodies to continue to see transparency of information, anticipation and impact limitation as a fundamental part of their position in the company. Moreover, unions must commit in the long term and continue to promote as broad as possible a debate with local authorities, companies and local interest associations, in order to multiply potential fields of mutual understanding and facilitate the establishment of a shared approach to these topics. Sometimes, this local dialogue is the only way to ensure a pacific coexistence of several activities with contradictory interests in a territory.

### **2.4 Strengthening certification tools, labelling and taxation**

As we witness a global transformation of the economy and ways of approaching and apprehending new forms of development, we will need to endorse any tools which facilitate and honour this transformation such as environmental certificates, in particular European ones (e.g. EMAS, Eco-Management and Audit Scheme for production and organisational processes, and the Ecolabel for products, for example.)

Taxation should also be carefully and decisively restructured to support and disseminate the good practices and to suppress subventions that make damages to biodiversity and ecosystems services according to the principle that “this taxation musn’t increase the social inequalities” as is written in the ETUC text on “the Energy-climate package in Europe for 2020-2030”.

The document “The ‘Energy-Climate’ package in Europe for 2020-2030: the ETUC’s priorities for a Just Transition“, about “green taxation” and European ETS also proposes:

- “The set-up of indicators relating emissions to the levels of production in the ETS sectors (i.e. tons of CO<sub>2</sub> per ton of product) , to help identify how emissions are reduced in Europe, whether by improving efficiency in industry or for reasons such as relocation of production to third countries;
- Better incorporation of the carbon footprint of goods when consumer taxes are imposed (carbon traceability and carbon tax);

- Bilateral commercial agreements making it possible to impose taxation on products whose carbon footprint exceeds the level of performance of the most efficient European installations in the corresponding sector, in accordance with international trade law;
- As a measure of last resort, border adjustment measures should be considered, notably to provide compensation for export industries subjected to an additional cost caused by the European climate and energy framework 2030 and which have to compete on international markets with companies not exposed to similar costs. This should be done in accordance with international trade law;
- Support measures, including state aids, for activities of common interest which are essential for the transition to a low-carbon economy.”

### **3. From local to global: networks and relationships**

#### **3.1 Internal/external service centres**

Given the breadth and cross-cutting relevance of the topic of the environment, it is becoming increasingly important for trade unions to network with other stakeholders, both locally and globally. There are many ways to network, including by creating specialist structures (such as Ecologia&Lavoro, CISL Italy, Idée Force or Syndex, CFDT France, Peco Institute, IGBAU Germany), which can both build “bridges” with local environmental associations and bodies and offer specific skills to support collective bargaining. The availability of expertise in this field is now indispensable both to increase levels of negotiation and participation among social partners and often to maintain a dialogue with environmental associations, which are now widespread and capable of acting on several fronts, often those same fronts where trade unions are also operating.

#### **3.2 A *win-win* approach: platforms for structured cooperation between social partners**

Environmental sustainability is key if collective bargaining and trade union relations are to become more participative. Joint bodies established by national, sectoral, regional and company collective bargaining, as well as bilateral bodies which bring together social partners, need to be equipped as privileged platforms for structured cooperation, where environmental sustainability is seen as a *win-win* approach for workers, companies and local areas.

#### **3.3 International network of regional authorities and social partners**

As a result of our project, another opportunity has emerged in a spontaneous and informal manner to facilitate the transition to a Green Economy. The trade union organisations involved can develop and maintain networks of relationships, including in the system those promoting best practices for companies and for relations with local and regional authorities.

Therefore, through the international network of trade unions, we will be able to identify good practices in companies and regional authorities to do with the green economy and oriented toward a sustainable development. By establishing links and regularly monitoring these situations, we can promote the dissemination and rapid spread of best practices for sustainable development in a green economy including decent work, human well being, reducing social inequalities and moving for the green economy as we move towards a green society.

#### **3.4 European and international trade union action**

If trade unions are to work on environmental issues, then we will need to act at international level, particularly when it comes to fighting climate change or biodiversity loss. ETUC and ITUC are strongly involved in this area. Most recent documents are:

1. ETUC claims a sustainable EU energy policy (2010)
2. Europe's Energy Strategy 2011-2020: A Missed Opportunity? (2011)
3. ETUC declaration on industrial policy, energy and the fight against climate change (2014)
4. The 'Energy-Climate' package in Europe for 2020-2030: the ETUC's priorities for a Just Transition (2014)
5. ITUC: Climate change is a trade union issue (2014)

While other actors (e.g. environmental associations) are already strongly engaged in the fight against climate change, trade unions, by their very nature and mission statement, can ensure that the social dimension of development is considered along with the environmental dimension, and that these two matters are discussed in concert.

In this context, in addition to the action of the Global Unions and EWCs in Europe, we should also make the greatest possible use of any initiatives brought in by international institutions, such as the "Global Compact" campaign launched by the United Nations in 2009, or other campaigns which may be organised by the ILO or UNEP.

The topic of the environment therefore propels trade union activity onto the international scale as unions carry out activities relating to the fight against climate change. However, at the same time it also roots them equally strongly in their local context, which is crucial if the local area is to be protected and respected.

## **6. A new culture and new skills for trade unionists and for workers**

### **4.1 A new culture and new professional skills**

In order to be innovators and effective representatives of the world of labour, trade unionists need to study hard and develop new professional skills. The tasks of trade unionists are twofold: on the one hand, they must be able to acquire the knowledge and skills needed to ease the transition in industrial relations. The case studies used in this project demonstrate how systems of industrial relations are becoming increasingly complex, often rendering "traditional" skills inadequate. What's more, trade unionists need to be equipped to support and facilitate the development and emergence of new vocational positions in the labour market, which are suitable for the distinct features of the circular and responsible economy.

These objectives, whilst certainly not easy to achieve, must be tackled both by organising training for trade unionists and by carrying out trade union lobbying activities in the designated platforms, to ensure vocational training is coherent with the values of the circular and responsible economy.

Essentially, the new professions have two basic characteristics: firstly, a high level of specialization, and secondly, the ability to integrate other skills.

These professional features and characteristics are already present in current activities, but the circular and responsible economy makes cooperation and integrated skills all the more necessary throughout the life-cycle of products, processes, and organisational structures.

Research and innovation must be applied not only to technologies, but also to social organisation. The increasingly widespread options for car sharing and car-pooling can be considered a small, indicative example of new organisational and social processes.

Some companies and associations have chosen to create digital car-pooling networks for their employees or in order to organise conference transport. This suitable and useful solution contrasts the prevailing cultural approach to private transport options. For example in France some best practices aim to develop low emissions transports and solutions to mobility needs in mobility plans agreements.

#### **4.2 The environment: a cross-cutting topic for trade union policy**

By making environmental issues a priority, the roles of trade unions are expanding to take in new and more pressing responsibilities, compelling them to take a “climate policy mainstreaming” approach, as described by the Europe 2020 strategy.

As such, a new trade union culture (with respect to environmental issues) should be visible in trade union strategies generally, and should “cut across” all policies dealt with by trade unions (employment, investments, human rights, globalisation etc.). The fact is that the environment cannot be parcelled off as if it were simply a new subject for negotiation to be tacked on to other, long-standing ones, because it is cross-cutting and tends to influence any topic we might find ourselves discussing. When discussing employment, we must consider how to promote the Just Transition and thus build bridges between old and new jobs and vocational positions, including in traditional sectors (which need to be “greened” or which is greening) and sectors with a higher environmental impact. The purpose is not only a quantification of needs but also to identify skills or qualifications that make bridges between some sectors with low job intensity to green activities or activities going green with higher potential for job creation. When discussing investments, we must make sure that, right from the planning phase for new machinery and production processes, adequate attention is paid to the issue of whether or not they are fully sustainable in terms of their use of primary resources and the management and recycling of packaging, waste and refuse.

When discussing human rights and globalisation, we must not forget the universal importance of the environment, and thus commit to preventing delocalisation being exploited as an easy way to transfer to weaker countries more highly pollutant forms of production or working conditions which are undignified or potentially harmful to the health and safety of workers and the local community.

#### **4.3 Working towards the Just Transition**

The Just Transition is a principle which, thanks to the international trade union movement, has been included in several UN documents at global climate change summits.

As stated in the document “ETUC position adopted at the ETUC Executive Committee” on 21-22 October 2014, ‘the ETUC is promoting the idea of just transition, which while aiming to reduce the negative impact of human activities on the climate and the environment, also promotes social dialogue, worker participation quality employment, the right to education, social protection and workers’ rights.’”

In this context, trade unions are calling for both companies and institutions to commit to the Just Transition, i.e. to carry out pre-emptive planning activities and support both workers in jobs and sectors which are declining and those working towards sustainable development. The emphasis, however, should be on new sectors and forms of development.

In addition to calling for both companies and institutions to make commitments, trade union organisations can do a great deal more on this matter. Indeed, Europe has recognised their active role and has made investments in the past decade, in the knowledge that the Just Transition cannot take place without social dialogue. The project’s case studies clearly demonstrate the crucial role trade unions have played at local level, especially in situations where there have been conflicts of interest between the environment and labour.



#### 4.4 Leading the way by setting a good example: environmentally responsible trade unions

“One gram of a good example is worth more than a hundredweight of words,” as the saying goes. Thus, a new trade union strategy and culture, more attentive to and aware of these topics, should also be clearly and recognisably established, based on internal “best practices”. In fact, trade unions should take an interest in their own environmental sustainability, as there are many ways in which trade unions, as organisations, could improve their sustainability records. Purchasing, for example, could be carried out with a view to ensuring internal consumption (and that of affiliates) is oriented towards green products and responsible consumption. When managers and trade unionists travel (for example for Congresses or large conferences), the environmental footprint of excessive use of private transport should be taken into consideration. Energy efficiency, paper consumption and waste management at trade union headquarters could all be improved by efficient resource management. There are several other examples, but some good practices are nonetheless already at play in some of the case studies of this project. We have thus already made some progress along this path, and need to continue pursuing it with great conviction.

#### Concluding remarks: our mission

Our mission remains the same: that of building a freer, fairer and more unified society. The green economy lends itself, to a greater extent than other periods or economic models of other eras, to the achievement of our aims, as by its very nature it intrinsically includes the concept of responsibility, which is a fundamental component of a society where justice, solidarity, promotion for development and human freedom prevail.

- *Forms of trade union action:*
- *Passive/active*
- *Traditional/innovative*
- *Short-term/ Long-term*
- *Reactive/proactive*

Traditional	Non-traditional
Worker protection	Developing prospects for the future of the company, region etc.
Health and safety	Growing awareness of environmental issues, providing knowledge and wisdom.
Working conditions	Participation in political decision-making in non-traditional fields of activity (e.g. climate protection)
Bilateral bargaining	New coalitions + alliances (e.g. civil society)
Strengthening competencies and skills	Innovation