



MAGAZINE

CHIȘINĂU – CAPITAL OF THE
REPUBLIC OF MOLDOVA



EZA IN THE REPUBLIC OF MOLDOVA

Torn between East and West

EUROPE'S DUE DILIGENCE

On the EU's forthcoming Supply Chain Act

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rising rates, falling wages

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DIGITAL TRANSFORMATION AND GREEN ECONOMY

8th European Social Week

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Dear Colleagues, dear Readers,

"We weren't naive, we were greedy. Our industry was built a lot around Russian energy, first and foremost because it was cheap." This was a statement made last year in an interview with Margrethe Vestager, Vice-President of the European Commission. Europe's stance also applies to other countries such as China, Taiwan or Vietnam. In the wake of an overriding goal to lower production costs, Europe has made itself disastrously dependent, and is now paying the huge price tag this carries. This could not have been shown more clearly than it was by the pandemic when supermarket shelves suddenly emptied or medicines became unavailable, some of which are still only to be had with a delay. Looking at energy and grain supplies, Russia's war on Ukraine has exacerbated the situation yet further.

Under the new "Open Strategic Autonomy" industrial policy guideline, the EU and its member states are endeavouring to buoy up the resilience of their economies and reduce external and internal dependence on other countries: diversifying and shortening supply chains, a return to stockpiling, moving production back to the EU, building 'European champions' (IPCEIs), limiting foreign investment in strategic areas (FDIs) etc.

For the EU, whose doctrines include free trade, it is becoming a balancing act between seeking greater autonomy and avoiding protectionism. Some 38 million jobs in the EU depend directly on foreign trade. On the other hand, it is also a tightrope walk in the face of an impending subsidy race within the EU – or with other countries, as illustrated by the discussion over the Inflation Reduction Act in the USA.

The success of achieving greater independence will be determined by various factors: will we manage to train the skilled labour we need? The European Year of Skills 2023 touches on the sore points and shows how dramatic the need for action really is. Will we consumers change our mindset and be willing to pay more for products that are 'made in Europe'? Will many be able to afford it at all in the chasm of galloping inflation? This social dimension of open strategic autonomy must not be overlooked. These were just some of the issues EZA raised at this year's Brussels conference. Read more in this issue's article that is dedicated to the topic.

As always, I wish you some enjoyable reading.
Sigrid Schraml



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EZA IN THE REPUBLIC OF MOLDOVA

Chişinău. For the first time in EZA's history, a seminar has taken place on Moldovan soil. A report on a country under pressure.



CHIŞINĂU – CAPITAL OF THE REPUBLIC OF MOLDOVA

TEXT: Lukas Fleischmann
PHOTOS: Lukas Fleischmann

It's about a 20-minute drive from Chişinău airport to the city centre hotel. Time enough to strike up a conversation during the taxi ride and get a good initial glimpse of what life really is like for working people. The driver says he worked in agriculture in the summer and drove a taxi in winter when the fields lay fallow. "I fly drones with tanks to fertilise the fields. The fields here are huge, so drones make it easier. Otherwise, there's not much work around." The use of modern technology in farming comes in stark contrast to the state of the roads on which the taxi trundles along towards the city centre. Then, at some point, the conversation turns to

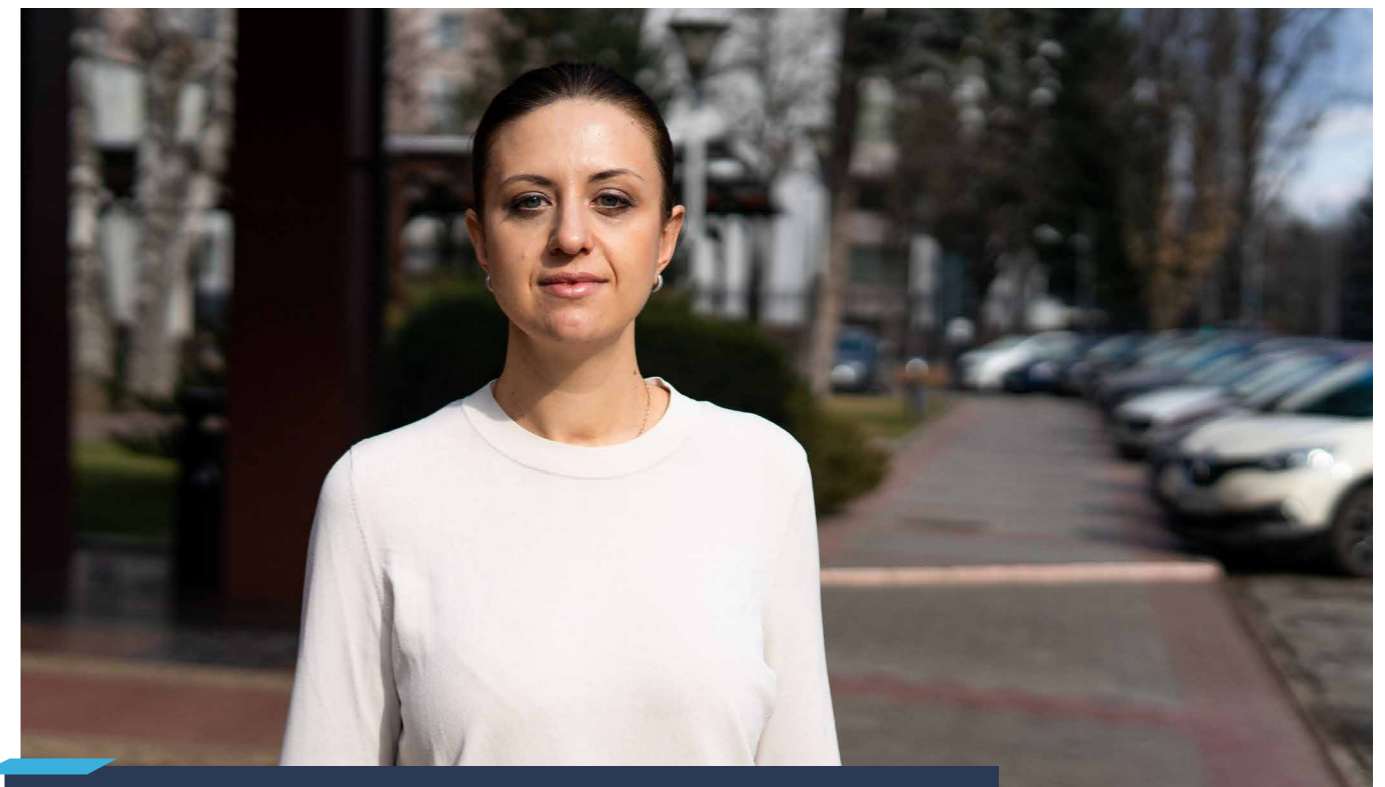
politics and the EU, and the driver's face changes. "The UK did the right thing with Brexit and is reaping huge benefits", he says, "and we in Moldova need to stay independent, too. We are friends of everyone, of Russia and of Europe." The question as to whether he thinks the EU would also wage a war of aggression against a neighbour is ignored. No one really knew what was happening there, he adds. Although this is personal opinion, it sheds light on the key problems that are besetting the country: a state that has been a candidate to join the European Union since June 2022. Moldova is the poorest country in Europe. Social inequality is rife and,

measured against the number of inhabitants, the country has taken in more refugees from Ukraine than any other. At the same time, its infrastructure is dilapidated and disinformation prevails. Russia has a stranglehold and inflation is soaring, reaching 37 percent in February 2023. De facto under Russian control, the territory of Transnistria is only about an hour's drive from the capital.

Going on information leaked to an international research consortium, Russia has far-reaching plans to destabilise the country and turn Moldova into a vassal state controlled from the Kremlin. The National Trade Union Confederation of Moldova rejects this subjugation to Russia and is pushing for close ties with organisations inside the EU. This call was heard by EZA's IFES and Cartel Alfa member centres from neighbouring Romania. For the first time in its history, EZA organised a seminar in Chişinău in mid-February. "We have been inviting members from Moldova to seminars in Romania for many years", says Silviu Ispas from IFES, "and we have always said: from the moment it is possible to hold seminars in Moldova, we will be here. The country's candidate status has now made it possible. Today, the situation in Moldova is like it was in Romania 25 years ago, when social dialogue really began in the country." Sharing Silviu Ispas' opinion, Polina Fisticanu also sees the great challenges that now face the country. "For many people, we have only appeared on the scene through the

war [in Ukraine]", Polina says. She is the head of the Social and Economic Protection Department within the National Trade Union Confederation of Moldova. "The fact that we now have EU candidate status is fantastic for us. Getting this status was a very long process. Now we need to bring our country's legislation, such as on working conditions, in line with EU standards. We also need to implement far-reaching changes in our legal system and provide opportunities for young people in an effort to create decent jobs with bright prospects for the future."

Looking at the statistics, the Republic of Moldova, with its 2.6 million inhabitants, has a long way to go. Outside Chişinău, the country's population is declining dramatically. The overall trend is seeing a process of rural exodus and internal migration to the capital. Arriving there, many hope for better jobs and a higher standard of living. Yet large numbers are migrating to the EU as well. This is particularly prevalent among those who hold both Moldovan and Romanian citizenship, most of whom are highly educated. "We have over 1,000,000 people from Moldova living abroad, supporting the local economy by sending remittances home to relatives or friends. That's a vast number", Polina Fisticanu says. Nonetheless, 2023 saw the majority of the population still living in rural areas, this mainly being due to the fact that fruit, vegetable and wine production accounts for a significant part of GDP.



POLINA FISTICANU FROM THE MOLDOVAN TRADE UNION CONFEDERATION



VIOREL BRAGA, WITH THE INTERPRETER STANDING IN FRONT

In the farming sector, precarious and informal jobs predominate. No statistics are available for the breakaway region of Transnistria. This region's level of industrialisation is thought to be much higher, with much industry having been located there back in Soviet times. "But we are also seeing positive developments", says Mihai Greuc, researcher at the Moldovan Information Society Development Institute, a sort of statistics office. "In the service sector, we have meanwhile reached over 50 percent, and the trend is steadily rising, with more and more jobs being created in the IT sector", she continues. In some service sectors, the country's official statistics are even revealing a labour shortage.

At the Institute of Labour

These positive developments are, however, very fragile – similar to the funding of the National Trade Union Confederation's Institute of Labour. This conference and education centre on the outskirts of Chişinău is a hub for further and advanced training as well as seminars for trade union members. It is currently also hosting a number of Ukrainian refugees. The President of the Trade Union Confederation, Igor Zubcu, stresses that funding is entirely independent, the aim here being to prevent state interference. Zubcu says that over 300,000 union members were helping to finance the centre with their dues, in return being able to take part in the training

measures at no charge. Viorel Braga, the Institute of Labour's Director General, takes seminar participants on a guided tour through the premises. "Although some dramatic cost-cutting measures now lie behind us, we still pay around € 10,000 a month for electricity and € 8,000 for gas. This brings tremendous pressure to running the centre. But we still decided to keep it open, in particular to give Ukrainian refugees somewhere to stay." Moldova used to get both electricity and gas almost exclusively from Russia. Currently, Romania is the main supplier to its neighbour. While energy prices in the country are rising to dizzying levels, they are low in Transnistria. This is because electricity and gas here still come from Russia, further fuelling the tensions between the country's two parts.

Trade unions in crisis

In the same way as the Institute of Labour, the Moldovan Confederation of Trade Unions aims to promote modern trade unionism based on the principles of social dialogue. The organisation is now affiliated to the International and European Trade Union Confederations. "We felt an obligation to become part of this European family of trade unions. And we also want to become part of the EZA family", says Igor Zubcu, CNSM President since 2021. Yet, across the country, confidence in the trade unions is low.

How stable can Moldova remain?

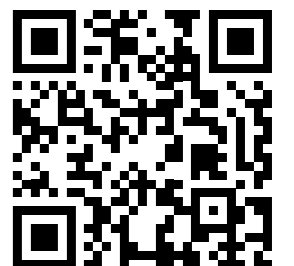
According to statistics from the Institute for Public Policy, almost 40 percent of people say they don't trust trade unions at all. In part, this can be attributed to the post-Soviet legacy shared by many countries of the former Soviet Union. Trade unions in Moldova are still associated with the corruption and cronyism of the communist era. Recent corruption scandals have also contributed to the trade unions' negative image in Moldova. However, the statistics do suggest that this widespread corruption is slowly declining. Within two years, Moldova was able to improve its standing by 24 places on Transparency International's index, taking it from 115th in 2020 to 91st place in 2022, just behind Belarus and Colombia. These trends must be continued if the country wants to pave the way towards integration into the EU, postulates the Friedrich Ebert Foundation's State of the Country Report for Moldova.

The journey from the hotel back to the airport takes longer. Two large boulevards in the city centre are closed because of demonstrators protesting against the present government under pro-European President Maia Sandu. The hotel is right in between. A huge contingent of police is accompanying the demonstrations. Prime Minister Natalia Gavrilita resigned only a few days before the seminar. This government crisis was triggered by high inflation, exorbitant energy prices and missiles fired over Moldovan airspace. The office is now held by the previous Interior Minister, Dorin Recean, who, like Sandu, is equally pro-European. He takes up a legacy in a country that is under immense pressure, a country Russia has its sights set on, one that is struggling with major economic and social problems and that sees its future (at least for the time being) in the European Union. And, if the trade unions have their way, as soon as possible.

Social dialogue in Moldova is moving in a positive direction, despite the many hurdles to be overcome. "Social dialogue currently resembles more of a discussion among friends", says Silviu Ispas from EZA's IFES member centre in Romania. He adds: "Often problems are being discussed that don't ensue from the labour market or from business competition because some 70 percent of companies are state-owned enterprises. In many cases, those representing the trade unions, employers' organisations and the state are all too chummy."

In 2021, former trade union president Oleg Budza was deposed for abuse of office. Dialogue did, however, resume after the change of government and the appointment of new people at the top of the trade union confederation. At the same time, regular dialogue takes place with the employers' association, even if joint meetings are not attended by everyone. To date, common priorities and achievements have focused on raising the minimum wage, the minimum pension and strengthening the powers of the state labour inspectorate. Alongside this, numerous new collective agreements have been negotiated in various sectors.

This article was produced as part of a seminar organised by IFES (Institutul de Formare Economica si Sociala), Cartel Alfa and EZA in February 2023. You can listen to further information and insight covering the country in the "We Work Europe" podcast. This is where you can find a link to the episodes.



EUROPE'S CORPORATE DUE DILIGENCE

In 2024, the EU is planning to pass corporate due diligence legislation requiring companies and suppliers to pay greater attention to the environment and human rights. Current drafts showing flaws, trade unions and NGOs are campaigning for the strictest possible legislation.



MANY INDIAN QUARRIES LACK ADEQUATE SAFETY STANDARDS.

TEXT: Ralph Würschinger
PHOTOS: Eline Wijnen, CSC

“Anyone among you familiar with quarrying?” Silently, a few of the 30 or so participants raise their hands. „What about occupational health and safety?” The speaker points to a man who has just raised his hand. „Briefly, would you like to tell us who you are and how you are involved in the industry?” While the participant introduces himself as a representative of an Italian trade union confederation, Lizette Vosman listens attentively, nodding now and again before continuing her presentation. Today, in the meeting room of a Brussels hotel, she is giving a lecture on due diligence as part of an EZA seminar. Lisette Vosman works for a Dutch NGO called Arisa. Arisa – Advocating Rights in South Asia – works towards improving working conditions in international supply

chains in South Asia. Working with partner organisations, Arisa watches over working conditions in the production of garments, textiles, leather, natural stone and plant seeds. Many workers in the supply chains of Dutch and European companies face difficult working conditions and social problems. Arisa focuses on the most vulnerable workers in such supply chains and campaigns towards eliminating child labour, forced labour and caste or gender-based discrimination. Lizette Vosman shows a video of a quarry in India. A worker talks about the dust he inhales during his work and his fear of falling sick from it. People can be seen with a cloth tied over their mouth and nose. People working with tools and handling what are clearly sharp-edged stones without

gloves or other protective clothing. The video is part of the TruStone initiative which Arisa belongs to – a sectoral alliance of the Flemish and Dutch governments, companies from the natural stone sector, NGOs and trade unions. Under the auspices of this international RBC (Responsible Business Conduct) agreement, set to end in 2024, the parties involved are drawing up an action plan to improve working conditions in the natural stone quarrying sector, to respect human rights more closely and to expose shortcomings. Arisa has been conducting field research on these issues since 2005. In 2017, the organisation published a report in which 22 quarries in India were investigated. The result: incidents of child labour, unpaid overtime, unpaid leave and a system taking people into wage bondage and tying them to their employers. Lizette Vosman confronted European companies about the conditions prevailing at their suppliers: “Some companies were in denial, others surprised. They asked us what they could do about it. I said, first of all, you can ask yourselves: are you paying your suppliers fairly? Are the delivery times you ask for reasonable? The shorter the times, the higher the pressure and the more likely you’ll be encountering labour law violations.”

Need for legislation

These hazards are not only confined to the quarrying industry. Human rights, for instance, are also taking a back seat in the textile and chemicals sector. Accord-

ing to ILO, 152 million children worldwide were having to work rather than going to school in 2020. 73 million people were working in hazardous conditions and, according to the Global Slavery Index, over 40 million were working in slave-like conditions worldwide. To change this, trade unions in Europe are campaigning to defend these people’s rights. The Belgian Confederation of Christian Trade Unions (Confédération des syndicats chrétiens; abbreviated below as CSC) is organising a two-day EZA seminar on the topic of due diligence, which Lizette Vosman is also invited to. “We will be giving participants tools enabling them to engage in social dialogue”, says CSC’s Manon von Thorre. “At the end of the seminar, we want participants to realise what human rights due diligence is all about. Because the legislation is on its way.”

Drafts for an EU-wide supply chain legislation are already in the making from the European Council and Commission. The EU Parliament is also preparing a draft. The three institutions will be entering a trilogue before the end of this year, to pass legislation next March at the earliest. Manon van Thorre feels binding legislation is indispensable. Many companies operate a voluntary code of conduct in their dealings with their suppliers. Failing to comply with this code, however, doesn’t mean they face criminal prosecution. As such, victims have no way of holding companies accountable. Things would look different if strict supply chain legislation were to be in place. Manon van



ARISA'S LIZETTE VOSMAN DELIGHTED TO SEE LONG-AWAITED EU SUPPLY CHAIN LEGISLATION.

THE FACT THAT TRADE UNIONS PLAY A PART IN DRAFTING AND IMPLEMENTING SUPPLY CHAIN LEGISLATION IS VERY IMPORTANT TO CSC'S MANON VAN THORRE.



Thorre welcomes the proposals for a directive that are already on the table in this regard. But for her, they don't go far enough. "The proposals don't take account of small and medium-sized enterprises", she says, "including many construction companies where occupational health and safety play a key part. In our opinion, all companies should be required to comply with supply chain legislation." In the same vein, she not only calls for a company's direct suppliers to respect human rights, but also its suppliers' suppliers, in other words, across the entire value chain.

With a view to the financial sector, the proposals fail to define whether or not such should also fall under supply chain legislation. This is an aspect the EU member states can decide at their own discretion. Critics fear that lax EU legislation could lead to weak national laws. Trade unions and NGOs, like CSC and Arisa, are fighting for stringent supply chain legislation at EU level, together with ECCJ, the European Coalition for Corporate Justice, which is a coalition of almost 500 civil society organisations from all over Europe. "Every week counts", Anya Verkamp says. She is a campaign coordinator at ECCJ. "We made sure that

5,000 emails from citizens and initiatives were sent to MEPs, requesting to include far-reaching environmental measures in corporate due diligence legislation and requiring companies to take responsibility for their own CO2 emissions."

The environment has rights too

These demands have found their way into the draft published by the EU Commission's DG Environment. This stipulates that companies will be required to identify how their business activities – including their supply chain – affect the environment and take appropriate measures to mitigate or prevent damage. Companies making an annual turnover of over € 150 million must present a transformation plan on how they intend to help meet the Paris Agreement climate targets. If it were up to Anya Verkamp, supply chain legislation should not only include environmental damage during production, but also the adverse impact products may have in their product life cycle. This is referred to as downstream supply chain: it's about plastic waste, hormones in water or – in terms of human rights – the use of surveillance systems and weapons. The effectiveness of EU-wide supply chain legislation depends on its implementation. Anya Verkamp demands criminal and civil prosecution for violations. Manon van Thorre from CSC goes further: "For us, it's important to reverse the burden of proof. Proof of violation shouldn't rest with the victim. Businesses should have to prove that they've not committed any breach and respected their due diligence obligations." At all events, companies must prove their compliance with the supply chain legislation that is passed. NGO Arisa's Lizette Vosman predicts a boom in audit companies in the coming years, i.e. organisations that audit companies' labour policies. At the same time, she points to shortcomings in the way so-called auditors work: "The biggest problem lies in auditors failing to talk with workers outside the workplace. Interviews take place in the factory, sometimes even in the presence of management. Chances are, as a worker, you're afraid to tell the truth." These doubts, though, are outweighed by the anticipation of corporate due diligence legislation hoping to improve the situation of workers worldwide. 2024 will be the year when we see how much responsibility the EU is really prepared to take towards workers involved in global supply chains.



This article was produced as part of a seminar organised by the Confederation of Christian Trade Unions (Confédération des syndicats chrétiens, CSC) and EZA in February 2023. You can listen to further information and insights covering the draft legislation in the "We Work Europe" podcast. This is where you can find a link to the double episode.

RISING RATES, FALLING WAGES

The ECB's response to the inflation crisis was at the core of the second panel of EZA's 2023 Brussels Conference. Together with researchers, ECB representatives and members of workers' organisations, participants discussed the impact of interest rates hikes on wages and employment and the relevance of monetary policy for trade unions.



DAVID SONDERMANN FROM ECB DEFENDS STRATEGY OF RATE HIKES.

TEXT: Sergio De la Parra
PHOTOS: Katrin Brüggem

The European Central Bank (ECB) has raised its main interest rates six times since July 2022 to contain the inflationary pressure currently impacting the euro area. These measures are based on the assumption of a close relationship between unemployment and inflation: by raising the cost of money, the ECB makes borrowing more expensive, which encourages companies and households to invest and consume less. Aggregate demand falls, which in turn increases unemployment and curbs wage levels. In the end, firms can decrease their prices again as labour costs dropped down.

Like all ECB measures, this one seems to be of a purely technical nature, a matter for specialists, and in any case out of the scope of the political debate. For many unions, monetary policy is not a priority – and yet it should be! The first and most obvious reason is because, as explained above, higher interest rates lead to lower economic growth, higher unemployment and lower wages. In the last months, several international organisations, including the International Monetary Fund and the World Bank, warned that excessive or too sudden rate hikes could trigger a global recession,



LUC VAN DEN BRANDE, EZA-PRESIDENT & ANTOINE KASEL, HEAD OF CABINET OF COMMISSIONER FOR JOBS AND SOCIAL RIGHTS NICOLAS SCHMIT

which would worse than the disease," says Renaat Hanssens of the research department of the Belgian trade union ACV.

The second reason has to do with the effectiveness of the central bank's response. Thought to be a remedy for inflation caused by a demand shock, rate hikes lose their effectiveness as soon as the cause of inflation is a supply shock. In this case, the main sources of inflation are indeed "supply-driven", such as the disruption of supply chains following the post-COVID recovery or the surge in energy prices following the war in Ukraine, explains Hanssens. This is compounded by the fact that in some sectors, companies are using their market power to inflate their profits. The European Central Bank is aware that inflation is partly due to a supply shock, acknowledges David Sondermann, Deputy Head of the Supply Side, Labour and Surveillance division at the ECB. It is also aware that rising profits in some sectors are contributing to higher prices. But a significant part of this increase is still due to demand

factors, and it is on this component of inflation that the ECB's current measures aim to act.

He added that, according to its mandate, the ECB is bound by one main objective, namely to ensure price stability. Of course, it takes into consideration the influence of its action on growth and employment, its secondary objectives, but only to the extent that this does not jeopardise the achievement of its primary objective. A redefinition of the ECB's mandates is one of the possible solutions to give growth and employment issues the place they deserve. The ECB's secondary objectives are vague, to say the least: to support the EU's "general economic policies" with a view to contributing to the achievement of the "objectives of the Union", as the treaties read. For Clément Fontan, Professor of European Political Economy at the Catholic University of Leuven, the ECB needs a clearer political mandate. This would involve establishing a procedure involving the European Parliament to specify which

secondary objectives are most relevant for the euro area. This idea was back in the headlines in February 2023, when the European Parliament adopted a resolution on the ECB's annual report. In it, the Parliament warns the European central bank that its traditional monetary policy instruments have a limited impact in combating inflation caused mainly by food and energy prices. The assembly also stresses the importance of the ECB's secondary mandate. Finally, it recommends that the ECB should ensure that the costs of its monetary policy operations do not fall disproportionately on low-income and vulnerable people.

For workers' representatives, the first step is to be aware of the impact of monetary policy on employment and wage levels. They also need to know that there are alternatives, including fiscal policy measures. Moreover, the independence of the ECB, which protects it from political interference, does not mean that the Frankfurt institute is cut off from its environment and should not be used to justify inaction. Finally, they might consider building alliances with other stakeholders, such as the European Parliament, to work on a long-term reform of the central bank's mandates.

Other topics of the EZA's Brussel Conference 2023:

Panel 1

Participants in the first panel, dedicated to wage policy, were unanimous in recognising the key role of the social partners and social dialogue in helping to preserve workers' purchasing power. Unsurprisingly, however, while employers (Isaline Ossieur, BusinessEurope) warned against the risk of a wage-price spiral, workers' representatives (Veselin Mitov, Podkrepa) pointed out the contribution of speculation and profits to higher price levels. As for the role of politics, Dennis Radtke (European Parliament, EPP) stressed that the European Union, and in particular the European Parliament, was not in the driving seat when it comes to providing immediate solutions. However, the EU has made a major contribution with the adoption of the directive on adequate minimum wages. The directive is a key instrument that trade unions can use immediately to support their wage demands, insisted Torsten Müller of ETUI, pointing to the Belgian, Austrian and Dutch examples.

Panel 3

The EU's internal and external strategic dependencies and limited capacities were the subject of the third panel. The covid-19 pandemic as well as the war in Ukraine have disclosed the EU's vulnerability when it comes to strategic products, raw materials or services. Supply chain interruptions and soaring energy prices have been and still are one of the main components of current inflation. Outi Slotboom (DG Internal Market, European Commission) presented the main pillars of the EU's concept of open strategic autonomy, the Union's plan to increase its resilience. Alexander Conway (Resilium) highlighted the questions that this strategy raises, notably how to avoid new dependencies. The social and environmental impact of its implementation were also addressed.

TOP PRIORITY TO FURTHER EDUCATION!

The European Centre for Workers' Questions (EZA) supports the European Year of Skills proclaimed by the European Commission for 2023. The initiative's aim is to place a particular focus on re- and upskilling employees. The focus here is on achieving the goals of the EU's Pillar of Social Rights, such as attaining a 78-percent employment rate by 2030.



TEXT: Lukas Fleischmann
PHOTOS: Adobe Stock

“EZA’s central mission is to train multipliers from trade unions and workers’ organisations. This has been our vocation since 1985. EZA has internalised the principle of lifelong learning”, says EZA Secretary-General Sigrid Schraml, „which is why we welcome this initiative launched by the EU Commission, particularly after the European Year of Youth 2021. We have neglected our education systems for far too long. A labour shortage is threatening to jeopardise the so-called twin transition as well as the EU’s concept of open strategic autonomy. Above all, though, skills mean participation in society for every individual. We share the view that employee education is a key instrument on the way to fostering innovation and, in the wake of this, also to creating sustainable growth and greater competitiveness on the part of European businesses.”

The Commission’s initiative places a particular focus on small and medium-sized enterprises. Alongside specific training measures, cross-border recognition of diplomas and qualifications is to be made much easier. The plan here is to promote direct involvement on the part of workers, citizens, social partners, education institutions, job centres etc. At the same time, the Commission is launching information campaigns on further education and upskilling for workers. European Commission President, Ursula von der Leyen, commented on the campaign as follows: „We need to focus our investments much more on vocational education and training. We need better cooperation with companies,

because they know best what they need. And we need to match those needs with what people want. But we also have to attract the right skills for our continent, skills that help companies and businesses and strengthen growth in Europe.” The European Year of Skills sets out to achieve the European Pillar of Social Rights’ Action Plan by 2030. Among other aspects, this stipulates that at least 60 percent of workers take part in continuing vocational training each year.

In addition, the aim is to reach an employment rate of at least 78 percent by 2030. According to the Commission, more than three quarters of companies in the EU are finding it hard to recruit employees with the skills they need. At the same time, only 37 percent of adults are currently undergoing regular training. Companies themselves are being called upon to invest more in re-and uptraining their employees and to offer skilled jobs. Particularly in digital skills, European employees have much catching-up to do. Four out of ten adults and one in three workers show deficits in basic digital skills.

Through the European Year of Skills, the EU is strengthening synergies with existing initiatives, such as the European Skills Agenda, the Pact for Skills and the EU Digital Skills and Jobs Coalition. The Commission is also drawing attention to various sources of financial support that will open the door to re- and upskilling. Further information and events on the European Year of Skills can be found at www.year-of-skills.europa.eu/.



DIGITAL TRANSFORMATION AND GREEN ECONOMY

Report on the 8th European Social Week



OPENING OF THE 8TH ESW: CYRIL CHABANIER, CFTC PRESIDENT; ELMAR BROK, EUCDW PRESIDENT; HERBERT METZGER, ESW PRESIDENT (FROM LEFT TO RIGHT)

TEXT: Herbert Metzger
PHOTOS: Herbert Metzger

Held in Lyon from 23–25 February 2023, the 8th European Social Week (ESW) was prepared by the European Social Responsibility Institute (ESRI) and co-organised with the French Confederation of Christian Workers (Confédération Française de Travailleurs Chrétiens, CFTC). It focused on issues surrounding the future of work and social dialogue in the context of digital transformation and green economy. The ESW was attended by workers' representatives from 14 countries. The development of the world of work cannot be considered in isolation from processes that are currently impacting people in Europe. Luc Van den Brande, EZA President, and Elmar Brok, EUCDW President, emphasized that politicians now need to come up with plausible answers to a number of major problems and challenges: to ending Russia's war on Ukraine, the need for an effective climate policy, the impact of inflation on workers' disposable income. Also on the agenda: the coronavirus pandemic, still not over, as well as the energy crisis. All this has reminded us of the European Union's immense importance, and the need to make it stronger through joint action. This also included further expansion of social dialogue. Managing technological change poses difficult problems for workers' organisations. As described by various speakers, it was not

so much the loss of jobs but rather the quality of working conditions that need to be agreed in social dialogue. In many cases, there was a lack of best practice and of ways to reach binding agreements on decent working conditions. Often, there was no institutional framework. There was a lack of any legal and structural basis for reaching agreements with employers.

Frank Siebern-Thomas showed how the EU Commission is planning to address the challenges of climate change. Doing so, he pointed to all manner of programmes that focus on facilitating the transition. Various other programmes are also focusing on customized approaches to addressing specific problems employees are likely to face. In his presentation, Roman Römisch from the Vienna Institute for International Economic Studies pointed to the danger of disadvantaged regions in the EU continuing to be so in future as a result of the twin (digital and green) transition. To solve this situation, he suggested that programmes under the EU's Cohesion Fund – which accounts for some third of the EU budget – should be targeted more precisely at disadvantaged regions. This also represented an immense field of action for workers' organisations.





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