

Social Dialogue Committee – Footwear Work Programme 2018

Since 2010, the European footwear sector (including components) is represented by **approximately 21,000 companies and 290,000 direct employees**, with an annual turnover that continues steadily increasing and in 2016 generated 27 billion Euros. It is considered as a high-end industry, and has difficulties in obtaining and retaining the necessary highly skilled workers. This situation will worsen in the very near future because of the large ageing workforce, difficulties to attract young generations despite the available job opportunities thanks to the slow but progressive relocation of footwear production to Europe, and finally because of the late adaptability and anticipation to grasp the opportunities of innovative technologies and digitalisation.

The Social Dialogue Committee in the European Footwear sector was re-launched at European level at the end of 2013. Up to now, the activities have been satisfactorily completed, including the implementation of a European project under the 2014 Social Dialogue call that allowed to analyse and mapped out the existing national Social Dialogue structures and practices, in particular in France, Italy, Portugal, Romania and Spain. The project concluded with a final conference presenting the outcome of the project activities compiled in a study report, and the identification of most relevant topics which social partners could jointly undertake.

Since early 2017, both partners are implementing a second project under the Social Dialogue call to attract new generations to the sector, and are also working together in a Erasmus+ project to identify emerging digital operations in the textile, clothing, leather and footwear sectors.

For the year 2018, the following action points are proposed:

1. Continue developing the European Social Dialogue

In general, both Social Partners will remain attentive to the evolution of external political and economic factors with a direct implication on the sector, and will elaborate any joint response or action required.

2. Skills and qualifications

a) Background

In 2014, the European trade union and sector associations the Textile, Clothing, Leather and Footwear as well as the National Industry Skills Partnerships (ISPs) did strong efforts to identify and develop the skills, which were necessary for the further development of the sector under the Sector Skills Council.

Despite such positive results, not only in content, but also in the number of countries contributing to and benefiting from exchange of knowledge and good practices, the Commission suspended the

funding to the Sector Skills Councils in 2015. Following several meetings and discussions with Commission's services in request for further opportunities to continue the work achieved under this scheme, the Commission launched in 2016 a call for proposals for elaborating a Blueprint on skills cooperation specific for the Textile, Clothing, Leather and Footwear sectors.

b) Erasmus+ project on digitalisation of skills in TCLF

The two-year project ***"EU TEXTILE, CLOTHING & FOOTWEAR SKILLS COUNCIL: ANALYSIS OF EMERGING OCCUPATIONS IN A DIGITAL ENVIRONMENT"*** (TLF 3) under Erasmus+ 2016, K2- Sector Skills Alliance' call for Skills Needs and Identification started early this year, and social partners (EURATEX, COTANCE, CEC and IndustriAll Europe, with the support of SPIN360) will continue during 2018.

The project objective is to respond to the needs for skills development in one of the areas where the change in future has the greater impact: digitalisation of the skills related to industrial production. Under the previous work and studies achieved under the TCLF Sector Skills Alliances, social partners identified 9 emerging occupations requiring digital skills. Social partners regularly consult with education and research experts on the different activities before obtaining the validation from the industry. The project activities include:

- A first update and validation of the 9 emerging occupations.
- The identification of the skills profiles required by these occupations;
- Validation of data and forecasting reports on the 9 occupations;
- Analysis of the correspondent VET and training offer in Europe to identify current gaps;
- Creation and consolidation of a EU-wide Database of sector specific stakeholders able to provide VET Training as well as validation and recognition of the emerging occupations;
- A potential definition of innovative TCLF Digital-Skills recognition mechanism;
- Definition of occupation roadmaps and VET/Training programme.

3. Attracting young generations to the footwear sector

The sector suffers from an ageing workforce, which is not being replaced because of lack of attractiveness of the sector to the new generations, reinforced by Vocational Education Training being considered a second rank studies- path. There is a significant risk of losing the current skills and savoir-faire of the profession.

Social partners will continue working on the project "Attracting Skilled Workforce to the Footwear Sector", which has the objective to attract youngsters to the sector. will include the elaboration of promotional material to be distributed among educational institutions (schools, VET providers and universities), the organisation of "Young Workers Days" in IT, PL, PT and SP to present the different educational offers in relevant "footwear countries" in Europe as well as a website and a video promoting the image of the sector.

4. Corporate Social Responsibility along the footwear supply chain

a) Follow-up and participate at the different initiatives on corporate social responsibility along the supply chain issued by different international stakeholders.

- EU Flagship initiative on responsible management of the supply chain of the garment and footwear sectors launched by different EC services
- OECD Roundtable on Due Diligence in the Garment and Footwear Supply Chain
- The new web based risk management tool developed under a Social Dialogue project by Euratex and IndustriAll Europe project, which allows companies to evaluate their level of compliance with five categories of core subjects foreseen under ISO26000. If the project is a success, the tool could be adapted to be used in the footwear sector.
- Business Social Compliance Initiative of the Foreign Trade Association

b) Work on a possible joint position paper confirming the commitment of the social partners in facilitating and promoting the compliance of social standards by European companies.

c) Investigate the possibility of initiating a project on traceability along the supply chain. Numerous initiatives have been started in this field, and technical solutions appear. Social partners will study the existing initiatives, and specify what could be the main functional requirements of a system that is able to reliably track and trace what operation is performed on a given item by each economic entity along the supply chain. This traceability would be a foundation for more responsible management of the supply chain, and will contribute in the prevention of counterfeiting.

5. Trade

- ✓ Social partners will continue monitoring the evolution of **Free Trade Agreements** currently under discussion between the European Union and third countries strategic for the footwear and leather goods industry (specifically Mercosur), and jointly intervene when require.
- ✓ Social partners appreciate the latest agreement between EU institutions on the Commission's proposal for the **modernisation of EU trade defence instruments**, its anti-dumping methodology, and its anti-subsidy legislation to tackle the surge of imports from non-market economies more effectively and to prepare for the expiration of certain dumping calculation provisions in the WTO accession protocols of China, Vietnam, and Tajikistan.

The successful collaboration between AEGIS Europe Alliance, composed by more than 30 European sectorial industrial associations including the CEC and IndustriAll Europe convinced the European Commission to not automatically grant the Market Economy Status (MES) to China in December 2016 until they did not meet the five criteria for market economy treatment in anti-dumping investigations. As alternative, social partners requested the immediate modernisation of the EU Trade Defence Instruments, which 2013 Commission's proposal was blocked at the EU Council.

The package of new measures comprises greater transparency, efforts at greater predictability of measures for traders and EU importers, and more leeway for the Commission to initiate ex-officio investigations. The core contentious point of the reform is a waiver to the EU's so-called lesser duty rule. Now the new package contains such a waiver, but under certain conditions, namely when prices of raw materials are distorted. It is on these conditions that the talks among the three EU institutions continue. Compromises have also been made on the period of pre-disclosure of trade defence measures to EU importers, and on the use of the 'union interest' test in the decision to waive the lesser duty rule.

The two later points will require special attention from social partners, and joint efforts during 2018.

5. EU industrial strategy

Since early 2017, the CEC has been part of an alliance of approximately 130 industry associations called **Industry4Europe**, which request a comprehensive industrial policy strategy at European level, and who published a joint paper called "Joint declaration for an ambitious EU strategy. The paper called on the European Commission to adopt an Action Plan to tackle the challenges of the industrial sectors in the framework of a Communication.

As a first response, in September 2017, the European Commission outlined a renewed industrial policy strategy in a Communication "Investing in a smart, innovative and sustainable industry: A renewed EU Industrial Policy Strategy". In response to the Communication, Industry4Europe published a reaction paper to request for more concrete actions called "For an ambitious EU industrial strategy – going further", which identifies key objectives and missing measures needed to ensure a robust EU industrial strategy, taking the Commission Communication as a starting point. The recommendations described in the Reaction Paper are divided into 6 different focus areas, namely: Business-friendly environment and governance; Skills and training; Research and innovation; Access to finance; Internal market; Trade and international market access.

The paper has been personally handed over to various Commissioners, MEPs, representatives of the Economic and Social Committee, and representatives of EU Permanent Representations. Overall, the Alliance is working to promote the interests and needs of European industry and provide guidance to deliver an EU level strategy which focuses on revitalising the industrial sectors, as many other countries are currently doing, and on bringing industry's contribution to GDP to 20%.

Similar activities have been carried out by IndustriAll Europe in 2017, and social partners have agreed to jointly work with this objective during 2018.



Confédération Européenne de l'Industrie de la Chaussure
European Confederation of the Footwear Industry


