

Social Dialogue Committee – Footwear Work Programme 2017

In 2014, the footwear sector (including components) was represented by approximately 21,120 companies in Europe with approximately 295,300 direct employees (0,25% more than in 2013). 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.

The Social Dialogue Committee in the European Footwear sector was re-launched at European level at the end of 2013. The first three years of activities have been satisfactorily completed, including the implementation of a European project under the 2014 Social Dialogue call that allowed to map out and analyse 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 where social partners could undertake in the near future.

For the year 2017 and in accordance with the outcome of such report, 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 jointly 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 ISPs did strong efforts in order to identify and develop the skills, which are necessary for the further development of the sector under the Sector Skills Council. In particular, the footwear project developed under the Social Dialogue programme, mentioned in the introduction, made possible to identify and establish good relations with two potential new ISPs. Thanks to this project, the Sector Skills Council TCLF could include two new countries: Portugal and Romania.

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. During 2015, social partners requested from Commission's services further opportunities to continue the work achieved under this scheme in

different venues and occasions. In parallel, they started discussions and work on a joint Sector Skills Alliance that could serve as framework for continuing collaboration in skills development.

b) New Erasmus+ project approved on digitalisation of skills in TCLF

As a result, a project proposal was submitted under Erasmus+ 2016, K2- Sector Skills Alliance' call for Skills Needs and Identification in early 2016. The two-year project ***“EU TEXTILE, CLOTHING & FOOTWEAR SKILLS COUNCIL: ANALYSIS OF EMERGING OCCUPATIONS IN A DIGITAL ENVIRONMENT”*** (TLF 3) has been approved with a start date on 1st December 2016. Social partners will therefore be engaged in the implementation of this project during 2017 and 2018.

The project objective is to respond to the needs for skills development in one of the areas where the change in future is expected to have 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. The project activities will include:

- 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 to identify current gaps;
- Creation and consolidation of a EU-wide Database of sector specific stakeholders able to provide VET Training & recognition of the emerging occupations;
- Definition of innovative TCLF Digital-Skills recognition mechanism;
- Definition of occupation roadmaps and VET/Training programme.

c) Joint project proposal under the Blueprint for Sectoral Cooperation on Skills

In 2017, social partners, CEC, COTANCE, EURATEX and IndustriAll Europe, will also work together under the new **'Blueprint for Sectoral Cooperation on Skills'**, adopted under the new Commission's Skills Agenda for Europe, to improve skills intelligence and address skills shortages in the textile, clothing, leather and footwear (TCLF).

Social partners are pleased with this Commission's initiative, which will provide for continuation to the work undertaken under the three years' work carried out by the TCLF Sector Skills Council. CEC, COTANCE AND EURATEX will prepare a joint project proposal under a new Call expected to come up in early 2017, and will request the support of IndustriAll Europe. The positive outcomes obtained under the TCLF Sector Skills Council represent an evidence of a future prosperous joint project proposal.

With this Blueprint, the Commission's objective is to create a European Sectoral skills partnership to engage in anticipation of change and in strategic skills forecasting and planning at EU, national and regional levels. The partnership will also translate the TCLF sectoral strategy based upon this forecasting and planning into actions on jobs and skills needs for the next 5 to 10 years, identifying current and anticipated skills gaps and developing concrete solutions, e.g.

- joint development of more and better vocational education and training opportunities,

- business education- research partnerships,
- promotion of agreements on the recognition of sectoral qualifications and certifications.

It is expected that the Blueprint will help mobilise and coordinate key players of the economic sector, with a specific role for social partners, stimulate private investment, and encourage a more strategic use of EU and national funding programmes. It will be supported by existing EU funding and initially piloted in a demand driven process in 6 sectors. The Commission's final aim is that after 4 years, the European platform will be rolled out at national and regional levels with the support of ESF and regional funds.

3. Attracting young generations to the footwear sector

One of the main challenges of the footwear sector is the difficulty to attract young generations. The sector suffers from an ageing workforce, which cannot easily be replaced, despite the innovative and structural changes that the industry has experienced during the last decade. Moreover, Vocational Education Training is considered a second rank study- path, and technical occupations are the most needed. There is therefore a big risk of losing the current skills and savoir-faire of the profession.

In 2016, Social partners submitted a project proposal ***"Attracting New Skilled Workforce for Quality Jobs in the European Footwear Sector"*** under the Social Dialogue call for proposals, which has been satisfactorily approved. The two-year project proposal, which will start in early 2017, has the objective to attract youngsters to the sector by openly and transparently displaying a more attractive and updated image. Different activities will be developed by social partners, inter alia, the elaboration of promotional material to be distributed among educational institutions (schools, VET providers and universities), the organisation of "Open Days" to present the different educational offers in relevant "footwear countries" in Europe as well as a website that promotes 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
- Awareness campaign "Change your Shoes" launched by DG DEV on the occasion of the 2015 European Year for Development
- 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.

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 CETA, Japan, and Mercosur), and jointly intervene when require.

Of particular concern for the social partners is the possibility that the EU grants Market Economy Status (MES) to China in December 2016. Article 15(d) of China's WTO Accession Protocol setting out the terms of China's entry into the WTO provides that, in order to obtain the status of a Market Economy, China has to prove that it meets the EU five criteria for market economy treatment in the anti-dumping investigations.

If China was granted MES in 2016, all anti-dumping cases would no longer use analogue country (export prices are compared with prices from a third ME country), and this would influence the calculation of the injury and duties after this date. Therefore, a premature granting of MES to China risks undermining the EU's Trade Defence Capabilities and Resources. 80% of EU trade defence- (anti-dumping and anti-subsidy) actions target China.

Approximately 30 European sectorial industrial associations (including the CEC) joined forces in December 2014 to create AEGIS Europe Alliance. They are against about granting automatic MES to China, and as an alternative they requested the immediate modernisation of the EU Trade Defense Instruments are modernised, which 2013 Commission's proposal was blocked at the EU Council. IndustriAll Europe supports the work done by AEGIS Europe and they jointly issued a position paper in this regard in 2015.

Social partners appreciated the Commission's proposal for a '[Regulation amending Regulation \(EU\) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation \(EU\) 2016/1037 on protection against subsidised imports from countries not members of the European Union](#)', which modernises the 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.

However, the proposal includes some clauses that are not satisfactory for the social partners, and joint efforts will continue during 2017.
