SOCIAL DIALOGUE PLENARY MEETING 12 DECEMBER 2018

Bd A. Reyers Ln 80 1030 Brussels – Belgium





EU Transparency Register 61370904700-45

Minutes of the meeting

1- Preparatory meetings

Separate meetings of industriAll and Ceemet

2-Approval of the agenda

Decision: The agenda was formally approved.

Social dialogue Chairs:

The following industriAll co-chairs were formally appointed:

- Co-chair of the "Training & Education" Working Group: Mr. Frédéric Touboul, FTM-CGT, France
- Co-chair of the "Competitiveness & Employment" Working Group: Mr. Reijo Paananen, General Secretary of Nordic In.

Ceemet Co-Chairs: it was confirmed that the current Co-Chairs, will continue their mandates for one year:

- Mr. Anders Weihe, Ceemet Co-Chair of the plenary meeting
- Mr. Jarkko Ruohoniemi, Ceemet CoChair of the Competitiveness and Employment Working Group
- Ms. Delphine Rudelli, Ceemet Co-Chair of the Education and Training working group

<u>Decision: Formal appointment of industriAll Co-chairs and confirmation of the renewal for one year mandate of Ceemet Co-Chairs.</u>

3- Formal approval of the minutes of the plenary meeting

<u>Decision</u>: The minutes of the plenary meeting of 14 December 2017 were formally approved.

4- The impact of Brexit on the manufacturing industries – *The social partners perspective:*

Mr. Fergus Mc Reynolds, Director of EU Affairs (EEF, United Kingdom) referred to the latest political developments at that stage: confident vote on Theresa May.

From EEF perspective he highlighted the following points:

- Majority of EEF members were in support of remain;
- Need to support integrated supply chains key for UK manufacturing industries;
- Ensure that the right skills / rightly skilled workers, including from EU-27, are available in the UK manufacturing industries;
- Ensuring a level playing field;
- EEF calls for a sensitive transition period.

He further recalled that the current political reality/situation is that the UK leaves on 29 March 2019 as it is laid down in British primary legislation.

Mr. Ben Richards (Unite, United Kingdom), made reference to the following points:



- British unions campaigned for remain;
- Huge areas of understanding between EEF and Unite but also between Unite and other employer organisations;
- Implications of Brexit for workers in manufacturing will last for years;
- Importance of protecting workers rights despite Brexit;
- Unite has members in Gibraltar and Northern Ireland: important to protect them also;
- Brexit poses a threat for EU workers and not only for UK workers;
- Unite thinks that the option deal or no deal is only a political choice of the UK government;
- Withdrawal agreement: little protection of workers' rights.

Mr. John Harkin, Ceemet, highlighted the following points:

- This is an issue which Ceemet has been active on since its inception and beforehand;
- We have had high-level meetings in Brussels with the European Council and Permanent Representations and keep in contact with relevant MET trade associations;
- We continue to call for, in so far as possible, free and frictionless trade, to protect our integrated value chains;
- Free movement of workers so manufacturers can employ and deploy across the EU;
- One single regulatory environment, to try to ensure minimum divergence;
- Clarity and certainty for business and importance of remaining competitive;
- Consult industry.

Mr. Luc Triangle, industriAll Secretary General:

- Issue of Brexit is affecting more some specific sectors, e.g. aerospace;
- industriAll has spoken out in the INTA Committee to give their views in the EP and met Barnier;
- Integrated supply chains: important for them also as they will impact competitiveness and thus also jobs (this point also linked to customs union);
- Current deal does not give guarantees on the social agenda.

Mr. Anders Weihe, asked employer representatives how companies prepare for eventualities of Brexit:

Ms. Delphine Rudelli (UIMM/France) said that Brexit is not for the moment a priority and that there are 3 types of companies:

- Minority group: preparing themselves for consequences of Brexit;
- Another group: starting to understand that something will happen as a consequence of Brexit, would like to take some measures but don't know what kind of measures;
- A large majority of companies: not aware of Brexit potential consequences nor taking measures.

Ms. Rudelli also mentioned that MEDEF had launched an online helpdesk to answer requests from companies.

Ms. Indra Hadeler (Gesamtmetall/Germany) said that member organisations of Gesamtmetall are not getting many questions from companies. Big companies in Germany seem to be more prepared for Brexit. SMEs hesitate to take final decisions e.g. regarding their supply chains that can have significant cost effects, they might still hope that Brexit won't happen.

Gesamtmetall has drafted a check list with recommendations for the HR departments of companies.

Mr. Uwe Combüchen, mentioned that some UK-based companies are planning or already taking investment decisions or production shifts, e.g. from the UK to the Slovak Republic.



Mr. Fergus McReynolds said that EEF has uploaded an online web tool to support companies. However, he further stressed that it is difficult to advice companies when there is little clarity on what is happening and the situation is changing constantly.

Mr. Andreas Bodemer (IG Metall/Gemany) said that according to the Cologne Institute, 70% of German companies exporting to the UK are not prepared for Brexit. He is concerned that co-determination rights of workers will be cut. He is also worried about what will happen with Works Councils.

Luc Triangle, said that the trade unions are afraid that the UK workers will lose their information and consultation rights and that this point should be included in the deal.

According to Mr. McReynolds, EU rules will stay applicable in UK law. EU law will be turned into UK law from day 1 after Brexit.

Mr. Niek Henk-Jan Hinsenveld (FME/Netherlands) said that Brexit is for the moment not a big issue for Dutch companies. FME, set up a web-tool for companies to check there Brexit preparedness. That tool was used by a negligible number of companies only. However, UK is the second exporting country for the Netherlands. The government has offered the possibility of financing studies about the consequences of Brexit in the Netherlands and practically no employer organisation has taken advantage of it.

Ms. Hilde Thys (Agoria/Belgium) said that Agoria is organising lots of Brexit seminars, drafting news about Brexit and trying to make it as practical as possible. Agoria is also actively raising awareness of companies about the potential consequences of Brexit in manufacturing. Some companies are taking measures.

In Sweden, Tekniforetagen, is looking over to the consequences on their supply chains. Mr. Anders Weihe further said that Sweden trades a lot with Norway that is not part of the customs union. Norway is fully integrated for standards & other rules as they are part of EFTA but they are not part of the customs union.

Unite said that the example of trade between Sweden and Norway should be taken into account to foresee possible consequences of Brexit in relation to companies outside the customs union.

Mr. Fergus McReynolds said that it is difficult to sit in front of companies and say they cannot give precise advice as there is no clarity and the situation is constantly changing.

Mr. Weihe said that in the Nordic countries they do not have the "notion/idea" that the UK should "pay" the consequences of Brexit, but at the same time they firmly believe in the importance of the single market and of preserving it. It is key, therefore, not to set precedents for the single market.

Mr. Fergus Mc. Reynolds said that with the confirmation of the withdrawal agreement, we start the next step, the negotiations on the future relationship between the UK and the EU.

Mr. Anders Weihe concluded the discussions on this point stressing that there is still not enough clarity to work for the moment on a joint position paper.

<u>Decision:</u> for the moment the MET social partners will not work on a position paper. They will wait to see if the situation is clearer to develop joint initiatives – i.e – a possible joint position.

5- Reports from the working groups and other activities

a. SSD C&E WG

Mr. Jarkko Ruohoniemi Co-Chair of the Working Group Competitiveness and Employment and Ms. Isabelle Barthes presented the latest developments on this group. They also referred to the outcomes of the last meeting, held on 19 March 2018. They also referred to the outcomes of a preparatory meeting held



between industriAll and Ceemet on 2 October 2018 to prepare the next working group of 19 March 2019. (*Ceemet members can download the minutes of the past working group here*).

The Co-Chairs presented the work-programme for the year 2019.

<u>Decision: the social dialogue work-programme for competitiveness and employment 2019 was formally approved. (see here the work-programme)</u>

b. SSD E&T

Ms. Delphine Rudelli, Ceemet Chair of the Working Group on Education and Training and Ms. Aline Conchon presented the latest developments on this group.

Ms Rudelli referred to the outcomes of the meeting of 28 June and also spoke about the joint event of 27 June on "Future of work in the MET industries: stepping up vocational education and training". *Ceemet members can download the minutes of the past working group here*). She said that the event had been very good content wise though for different reasons there had not been too many participants. For the Social dialogue meeting of next year (to be organised in June 2019), iAll and Ceemet will structure the working group in a different way with less external (Commission) speakers and more active participation of Ceemet and industriAll Members.

Ms. Rudelli also referred to the signing of the industriAll-Ceemet pledge on the European Alliance for Apprenticeships and to their joint participation at the Vocational Skills Week held in Vienna in the beginning of November 2018. The Skills Week is a very good platform to increase the visibility of the social partners initiatives in the area of VET.

Mr. Anders Weihe said that it is important to take account and discuss also about the lack of basic skills (reading, arithmetic's, writing).

Ms Rudelli also presented the work-programme for 2019.

<u>Decision:</u> the social dialogue work-programme for education and training 2019 was formally approved. (see <u>here</u> the work-programme)

c. Formal approval of the joint statements

<u>Decision:</u> The joint statements were formally approved:

- Joint statement on the Integration of Migrants into the Labour Market, see here
- Joint statement on the European Pillar of Social Rights, see here

Further, industriAll and Ceemet released a joint press release on 17 December 2018, see here.

6- The future of Europe – European Parliament elections- 2019 & upcoming Commission

Ms. Gabrielle Bischoff, President of the EESC Workers Group and candidate to the 2019 EP elections highlighted the following:

- The EU has to cope and address major challenges such as growing inequalities; rising popularity of euroesceptic parties etc;
- There has been growth in jobs but not really quality jobs;
- ECOSOC sees the debate on the future of Europe as of big importance for employers and employees;
- Importance of a strong European Pillar of Social Rights;



- She mentioned 3 important topics that are challenging Europe: digitalisation & future of work; Brexit, and also the question of who will take over the EPSR once Juncker is no more the President;
- Social dumping and wage dumping have increased;
- Need of an increased involvement of national and European social partners in the European Semester process;
- Importance of social dialogue.

Ms. Bischoff further referred to Jean Monnet" policy of involving all trade union and employer organizations of the 6 founding countries as a "crucial step when building the CEE". She further stressed the importance of collective bargaining and of respecting the autonomy of social partners.

Ms. Milena Angelova, Vice-President of the EESC Employers Group and EESC Vice-President in charge of Budget for the 2018-2020 mandate, highlighted the following points:

- Sector social partners are the basis of social dialogue;
- The main challenge of the EU is the growing uncertainty;
- Digitalisation is more of an opportunity if managed properly
- Other challenges: migration and the spread of fake news, demographic decline, climate change;
- Commission must make the small business act binding;
- SMEs needs more protection;
- SMEs representatives should be better represented in the Semester;
- Importance of fostering innovation mentioned the Ceemet 10 point plan also being disseminated in Bulgaria;
- Crucial to address the future of work and skills mismatches: 40% of employers have challenges in finding the rightly skilled workers;
- Importance of focusing on LLL and on VET;
- If Europe does not create the right framework conditions for a competitive industry then companies will move to another continent and this is very dangerous;
- Importance of putting digitalisation in a more positive context because the future will be digital;
- Encourage people to vote.

Mr. Luc Triangle, industriAll Secretary General referred to the following points:

- EP elections of May 2019 one of the most important elections;
- Most citizens do not trust the EU because of austerity, financial crisis etc;
- industriAll manifesto calls on people to vote;
- stressed the fact that jobs have been created but they are precarious jobs;
- Asked for a pay rise since in many EU countries, according to OECD, wage levels are still below 2008, despite productivity increase;
- Collective bargaining key to manage the transition to a sustainable economy that leaves no one behind-

Mr. Uwe Combüchen, Ceemet Director General, made the following points while referring to the Ceemet "10-point plan for a competitive industry sustaining social Europe":

- President Juncker's 2018 State of the Union speech did not a single time refer to manufacturing or to industry;
- Ceemet members adopted the 10 Point Plan to share their vision and recommendations with European and national political parties in view of the elections to the European Parliament in May 2019; the 10 Point Plan had been translated into different languages.
- International competitiveness of the industry key to sustain social spending;
- Addressing the skills mismatches is crucial to enhance the competitiveness of companies that sustain job creation;



- Agile labour markets are more resilient he further suggested to have a debate with the trade unions on this point; according to the 2018 Ceemet Chief Economists Report, MET industry created 1.25 million new quality jobs between 2013 and 2017
- No interference in wage setting;
- Key to consult industry;
- Mentioned the need of having an orderly Brexit.

Mr. Luc Triangle said not to agree with flexibility since in his views it creates more precariousness

Mr. Anders Weihe further proposed to build on those issues where industriAll and Ceemet have common views. He added that in Sweden employers and employees work together when addressing the future of Europe and the importance of the EU.

Mr. Reijo Paananen said that employers and employees should be together on the topic of the future of Europe and explain to people why Europe is so important for European citizens.

Mr. Andreas Bodemer (IG Metall) said that he has heard the argument of social spending (linked to competitiveness of companies) a lot. He thinks this does not touch upon the basic problems of young Spanish, Greek, Italian workers etc. on precarious jobs. The trade unions fear that digitalization and globalization might have more negative effects on workers.

Ms. Indra Hadeler said that communication is key and that we should all work together to tell a positive story of the EU. Here the unions can play an important role to help distributing the message on the importance of the upcoming elections. She also stressed the fact that it is important not to overexaggerate the expectations of people within the EU's competences in the field of social policy.

Mr. Luc Triangle further said that in countries like Spain and Greece many people are in difficult conditions because of austerity policies "implemented by the EU".

Ms. Hilde Thys, in the same line as Ms. Hadeler, said that communication is key, and that people need to listen to the success stories of the EU. She said we should not refer to phrases such as social dumping but to illegal employment or illegal competition.

Ms. Delphine Rudelli further stressed that before starting to develop a joint statement it should be clear to whom we are addressing the statement, i.e. Policy makers, general public etc.

Mr. Anders Weihe wrapped up this point and said that the Secretariats should liaise in order to possibly develop a joint statement on the future of Europe prior to the EP Elections of 2019.

<u>Decision:</u> industriAll and Ceemet Secretariats to liaise in order to possibly develop a joint statement on the future of Europe.

7- AOB – confirmed dates for the social dialogue meetings of 2019

- SSD WG C&E 19 March 2019
- SSD WG E&T- 27 June 2019
- SSD Plenary meeting: 11 December 2019
- Joint event to be organised in combination with the plenary meeting of December 2019

