



# Will the CLEAN INDUSTRIAL DEAL work for us all?

The Communication on the Clean Industrial Deal (CID), the EU's new strategy for increasing competitiveness through reindustrialisation while achieving climate neutrality by 2050, sets the direction for industrial changes that will create both opportunities and challenges for regions, workers, businesses and communities across Europe.

**Will the CID work for people?** Only if it creates quality jobs, improves living standards, promotes a healthy, pollution-free environment and strengthens climate safety and cohesion across Europe.

As EU policymakers develop the legislation, guidelines, action plans and other instruments announced in the CID, we urge them to address the following questions:

## 1. How will the CID ensure that industrial transformation upholds and advances all social rights, in full alignment with the European Pillar of Social Rights?

Although the CID *commits to a just transition that delivers quality jobs and empowers people, building on their skills, while promoting social cohesion and equity across all regions*, it only refers to some social rights and proposes only non-binding measures on labour rights. In particular:

- ▶ *The Commission will discuss with the social partners a framework to support restructuring*

*processes at EU and Member State level, focusing on just transition, anticipation of change, faster intervention when restructuring is imminent and an improved information and consultation framework.*

**Will this initiative go beyond a voluntary approach and lead to binding measures<sup>1</sup> to anticipate and manage change in the world of work**, particularly in light of the rapid shift required in fossil fuel and energy intensive industries?

- ▶ The EU will support labour and social standards, including through the Commission's review of public procurement rules and by examining how State aid rules can better incentivise industry to invest in upskilling, reskilling, quality jobs and recruitment. **Will this lead to binding social conditionalities<sup>2</sup>**, such as mandatory collective

<sup>1</sup> As called for by a number of stakeholders, including the EESC in its opinions of [2023](#) and [2024](#).

<sup>2</sup> See the [statement](#) issued by the Fiscal Matters coalition.

bargaining, upskilling and reskilling obligations, higher support to work integration social enterprises (WISEs), and a ban on relocation for social or fiscal dumping?

- ▶ Social initiatives linked to the CID include the Quality Jobs Roadmap, the Affordable Energy Action Plan and the Union of Skills. While the European Affordable Housing Plan is mentioned, the European Pillar of Social Rights is notably absent. However, as industrial transformation reshapes jobs, skills, economies and communities, an industrial strategy that fails to recognise and strengthen social rights will exacerbate inequality – including gender inequality, which is not mentioned at all in the CID. **How will synergies be ensured between the CID and the implementation of the EPSR**, including the review of its Action Plan, the European Anti-Poverty Strategy and other social initiatives, so that they are mutually reinforcing?
- ▶ The Commission will propose a Quality Job Roadmap to support workers in transitions. **Will this Roadmap, along with other initiatives under the CID, address the specific needs of people in vulnerable situations and those facing intersecting forms of discrimination<sup>3</sup>, particularly with regard to accessing and retaining employment?**
- ▶ The CID aims to secure access to critical raw materials, including through the adoption of a Circular Economy Act (CEA) in 2026, to ensure the efficient use and reuse of these materials and the creation of quality jobs. However, research shows that the socio-economic potential of a highly circular economy goes far beyond extending the life cycle of critical raw materials.<sup>4</sup> **Will the CID and CEA ensure a greater shift towards a circular economy by placing the EU Waste Hierarchy at the heart of policy-making**, supporting solidarity reuse and repair activities, and extending the life cycle of all goods?

Without robust and targeted initiatives to support workers, consumers, communities and marginalised groups, the CID risks widening socio-economic inequalities and triggering social unrest, ultimately fuelling further distrust in decision-makers.

## 2. What measures will be taken to ensure that all regions and territories in Europe benefit from the industrial changes brought about by the CID?

The CID lacks clarity on how the development of new industrial activity will be balanced and coordinated with the transformation of existing industries and the phase-out of the fossil fuel industry, and which regions will prosper or face challenges as a result. In particular:

- ▶ The CID does not address the need to map regional competitive advantages, to assess which regions and sub-regions will be affected by industrial transformation, and to provide a long-term vision for regions in transition, with targeted support measures to ensure that no region is left behind. **What concrete plans and measures will be developed and implemented to manage regional and territorial changes and to ensure that the CID supports cohesion within the EU?**
- ▶ The Commission will explore ways to improve the delivery of the Just Transition Fund (JTF) drawing on lessons learned and identifying best practices to inform the design of future instruments under the next MFF. **Will targeted funding for the regions most in need be guaranteed after 2027 to ensure continuity with the JTF?**
- ▶ The Commission will adopt the European Affordable Housing Plan to address, amongst others, workforce mobility to workplaces in metropolitan areas, as highlighted in the CID.

<sup>3</sup> Including people who are discriminated against on the basis of ethnicity, gender, disability, age and other grounds.

<sup>4</sup> See the RREUSE briefing on “Job creation in the re-use sector - Insights from social enterprises”

Industrial policy should be integrated with social policy and planning at all levels, including housing, health and education, to ensure both labour mobility and the freedom to stay. **How will the Plan address the ‘right to stay’?**

- ▶ The draft Communication on the Clean Industrial Deal State Aid Framework (CISAF) includes provisions allowing higher aid intensity and greater financial support in disadvantaged regions and requires Member States to justify why investments outside assisted areas cannot be carried out as efficiently in those regions. **Will this help address the disparities in fiscal capacity between Member States?** In his report, Enrico Letta proposed a State Aid Contribution Mechanism, which would require Member States to earmark part of their national resources to finance pan-European initiatives and investments. **Can such a proposal be taken on board?**



For the CID to succeed, decision-makers must adopt a strong place-based approach and implement context-specific measures at national, regional and local levels, as well as using coordinated sectoral strategies.

### 3. How will the EU invest in a fair and just transition, and where will the resources come from?

The European Commission’s Political Guidelines promised to *significantly increase our funding for a just transition across the next long-term budget*. However, the CID lacks a clear commitment to invest in a fair and just transition. **How will the EU deliver on this commitment? In particular:**

- ▶ The Commission has laid out a Union of Skills as an overarching strategy to give people the skills they need to make the most of their potential,

and to ensure that employers can access the expertise they need for a vibrant and competitive economy. To finance it, the Communications on the CID and the Union of Skills mention using the financing possibilities for education and training offered by the ESF+ and Erasmus+. **How will the EU guarantee that ESF+ and Erasmus+ resources are not diverted from their current social, climate and environmental priorities? How will funding for these programmes be scaled up to support these new initiatives and expanded objectives? What measures will be taken to ensure that employers actively contribute to the financing of upskilling and reskilling efforts?**

- ▶ The 2022 Council Recommendation on Ensuring a Fair Transition to Climate Neutrality recognises the need for comprehensive policy action across industry and other sectors, and outlines measures to address the employment and social dimensions of the transition. **How will the EU work with Member States to ensure that fair transition measures are properly funded and implemented in a timely and targeted manner?** The increased workforce shifts brought about by the intensification of industrial change need to be supported by the provision of adequate social protection and access to essential services, including safety nets such as an unemployment reinsurance scheme.<sup>5</sup> **Will the EU take action to fill this gap?**

As the CID accelerates industrial innovation and economic transformation, it is crucial to ensure that the necessary resources are allocated in both the current and next MFF to fulfil the EU’s commitment to a fair and just transition. To ensure best value for money, binding social and environmental conditionalities should be attached to public funding for companies, and circularity must be at the core of the CID, with increased re- and upcycling capacities and placing a much greater focus on regional value chains.



<sup>5</sup> Based on the SURE instrument that was initiated during the Covid-19 crisis.

## 4. Who will be part of the decision-making process and how will social partners and civil society be involved?

The CID lacks a transparent and inclusive governance framework and fails to establish a common European approach to governance. By leaving decision-making largely to Member States, it risks wasting scarce resources and perpetuating duplication and gaps, rather than fostering a common European vision for a green and fair industrial policy. In particular:

- ▶ Neither the Quality Jobs Roadmap nor the other measures in the “Supporting workers in transition” section mention that workers should be systematically involved in workplace transition planning. While collective bargaining is mentioned, there is no plan to make it mandatory. A fair and just transition requires meaningful engagement with workers and their trade unions. **How will the EU ensure the meaningful involvement of labour unions in decision-making processes that affect workers?**
- ▶ The CID over-represents the Antwerp Declaration, a statement led by some of the largest polluting companies. **How will the governance of the EU industrial policy be reformed to ensure that all voices, including those of trade unions, civil society, social economy actors and local communities, are meaningfully represented at the decision-making table?**
- ▶ Given the multi-level and broad impact of the CID, it is crucial to establish or reinforce platforms for dialogue between all stakeholders, including across different levels of governance (regions, cities, national governments and the EU) as well as between Commission DGs. **Will the EU Code of Conduct on Partnership be enforced for measures funded under the CID?**

- ▶ The Competitiveness Compass referenced in the CID seeks to better align common strategic interests at EU and national levels. **How will the EU ensure that responsibilities and resources are aligned across all levels of government, ensuring better coordination of the relevant policy development and implementation? How will coordination with the Union of Skills agenda and the National energy and Climate Plans (NECPs) be ensured?**

The CID must promote the democratic governance of EU industrial policy, ensuring that it is guided by a vision of wellbeing and prosperity for all, and protected from the influence of vested interests. !

## 5. Will the CID foster fair and balanced partnerships with partner countries?

The CID places significant emphasis on the EU's dependence on third countries for material resources, particularly critical raw materials. However, it cannot credibly claim to support a “clean industry” without addressing the full scope of emissions throughout the value chain and the broader environmental and social impacts of EU trade and investment policies and overconsumption of world resources. In particular:

- ▶ Clean Trade and Investment Partnerships (CTIPs) will be developed to manage strategic dependencies and secure the EU's position in crucial global value chains. However, the Communication does not clearly commit to ensuring that CTIPs uphold the highest standards of democratic participation, human rights (including labour rights) and environmental protection. These principles should lie at the heart of the EU's positive offer to partner countries. **How will CTIPs ensure that social and environmental standards are upheld throughout the entire**

supply and value chain, especially if the Corporate Sustainability Due Diligence Directive (CSDDD) is being weakened in parallel? How will they guarantee full transparency, meaningful public participation and respect for community rights to free, prior and informed consent?

- ▶ Third countries should not be restricted to providing raw materials and their own green industrialisation should not be obstructed. For example, partnerships for energy export should only be considered if the exporting country has full energy access, and if support is provided for it to embark on the just energy transition. **How will the EU ensure that its partnerships are tailored to the specific needs and interests of the countries involved, taking into account the existing country- or region-led initiatives and frameworks? How will CTIPs foster the creation of local added value, technology transfer, and technical assistance?**
- ▶ The Global Gateway will be used in a Team Europe approach. Due to the use of blended finance and guarantees, there is a significant risk that limited Official Development Assistance (ODA) funds could end up subsidising EU companies that could have obtained financing independently.

What steps will the EU take to assess the additional nature of such financing, ensure that support is targeted effectively from the outset, and prioritise high-risk, hard-to-decarbonise projects which might otherwise struggle to attract investment?

- ▶ The Communication only references decarbonisation and clean energy in partner countries. **How will the EU contribute to a just transition for communities and workers currently reliant on fossil fuel exports? How will the EU ensure that CTIPs align with partner countries' Nationally Determined Contributions (NDCs) and just transition plans, in line with policy coherence for sustainable development?**

The success of European green industrialisation hinges on the EU's ability to offer its partners an alternative, credible trade model that considers their interests, establishes sustainable value chains, respects the environment and provides decent work. In a world of geopolitical turmoil, the EU must invest more in diplomacy, listen to the views and needs of its partners, and establish itself as a reliable and trustworthy partner.



This document was developed within the framework of the European Alliance for a Just Transition. Read the European Alliance for a Just Transition's vision for a European Union that advances a Fair and Just Transition during the Cycle 2024-2029 and Beyond. Membership of the Alliance does not imply formal endorsement of this statement, nor does it signify any political affiliation between Alliance organisations.