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Cc: OLSSON Stefan (EMPL); [REDACTED] (EMPL); [REDACTED] (EMPL); [REDACTED] (EMPL); [REDACTED] (EMPL);
Subject: flash report - Cmsr Schmit and new DGB President- 22 June
Date: lundi 27 juin 2022 13:59:00

Dear colleagues,

Please find below the flash report on above meeting.

Many thanks to Anouk for having validated the draft.

Best regards

[REDACTED], C3

Flash Report

Meeting of Commissioner Schmit with new DGB President (DE) on 22/06 in Brussels

Participants:

Commission: Commissioner Nicolas Schmit, Christoph Nerlich, Anouk Faber (Members of Cabinet), [REDACTED] (EMPL C.3)
[REDACTED] ([REDACTED]), [REDACTED]

The discussion centered on the transition to a carbon neutral economy but also touched on several employment and social issues as well as broader political issues.

Transition to a carbon neutral economy:

Cmsr Schmit opened by pointing to the potential consequences and uncertainties related to Russia's aggression war against Ukraine also affecting the successful transition path to a carbon neutral society.

DGB assessed this situation as unprecedented, with several factors at play with still unknown impact. There need to be a comprehensive change management with clear perspectives for investments into the future beyond the buffering of social inequalities. Sober analysis is needed on salaries and on redistribution aspects. With regard to EU Taxonomy, the DGB suggests linking it to companies respecting collective bargaining agreements.

Energy intensive industry branches such as steel, copper, aluminium and chemistry need to be preserved despite technological challenges, and the transition has to be notably successful to keep a comprehensive industrial base ("Verbundstandorte"). The EU is lacking overall network infrastructure which would allow eg to bring gas from Spain through pipelines.

DGB referred to positive industry examples such as Volkswagen and Thyssen Krupp. Volkswagen profits from a long tradition of social dialogue and co-determination. Thyssen Krupp is facing huge as they have to go directly to hydrogen, electrification not being a viable option for steel production.

One of the key obstacles for speeding up transition remain the lack of qualified workers. There are still too many young people without proper qualifications, and women employment has too high share of 'minijobs' and 'part-time work'. DGB pointed to the importance of in-house training to avoid periods of unemployment.

Minimum wage Directive (MW): Both sides viewed MW Directive as important political signal but progress now depends on Member States. DGB suggested a better link between this Directive and the inclusion of collective bargaining requirements for public procurement. Cmssr explained how the Directive is aimed at promoting this without, however, making it mandatory.

Platform work Directive: DGB welcomed this Directive but sees risks in terms of criteria: they could be seen as bureaucratic, and they are too limiting. DGB called for the application of the reverse presumption in line with trade union views at EU level and mentioned the possibility of a more comprehensive catalogue of indicators to prove the employment status. Cmssr explained the rationale of choosing the indicators that are in the proposal. The criteria reflect case law.