



PERC PAN-EUROPEAN TRADE UNION COUNCIL CRE CONSEIL REGIONAL EUROPEEN  
BERC ВСЕЕВРОПЕЙСКИЙ РЕГИОНАЛЬНЫЙ СОВЕТ

**2<sup>nd</sup> Meeting of PERC Executive Committee  
Brussels, 3 March 2008**

**Agenda Item 7: Energy in Europe – trade union priorities**

**The Executive Committee is invited to approve the attached document.**



**European Trade Union Confederation (ETUC)  
Confédération européenne des syndicats (CES)**

**PERC-ITUC**

**Trade Unions and European Energy Policies**

**Introduction**

Global oil prices are at record levels in real terms; energy companies are gaining unprecedented wealth and company restructuring in the energy sector across Europe has never been more active. Government revenue from the energy sector has reached a peak, especially where a country has rich energy resources. However, energy taxes are increasing as well, on the consumption of energy, bringing vast sums of money into the public exchequers.

Yet, working conditions and living conditions for many energy sector workers have been declining. In particular, energy workers, especially in the coal sector in the eastern part of our continent are suffering unprecedented safety and health dangers. Instead of being a period of reconstruction and the redistribution of wealth among populations generally, wealth has become concentrated into fewer hands, through the privatisation of state assets, company takeovers and the manipulation of stocks and shares. Alongside the privatisation process there has often occurred a degradation of the local environment workers and their families inhabit. Moreover, there are now huge issues of a wider environmental nature there to be tackled, in particular climate change, following on from the IPCC<sup>1</sup> report mentioned in the conclusions of the recent Bali Conference on the follow-up to Kyoto Protocol.

Industrial economies dependent on secure energy supplies confer great powers on Energy workers who, in general, have been reluctant to use it except when pushed to the limit in their working conditions. Energy trade unions, supported by their national and international confederations must consider, faced by all of these challenges to their livelihoods and well-being, how to use this power to promote sustainable development. While they must act for themselves, to improve their own employment conditions, they can also become advocates of a more just energy and environment development of society.

Under the Kyoto Protocol, the EU, Russia and Ukraine have taken binding commitments to limit their greenhouse gas emissions by 2012. This paves the way for cooperation between them in areas such as energy efficiency and low carbon energy technologies that can benefit both employment and the environment.

In Europe, the general flow of energy is westwards from energy rich countries in the East, to countries further west, especially those of the European Union. The energy summits between the EU and Russia have been especially important in this regard.

**EU-Russia Energy Dialogue**

Although relationships between the EU and other states in the wider Europe generally are important in energy terms, the pivotal one remains that between the EU and Russia. There have been eight progress reports on the EU-Russia Energy dialogue since the EU-Russia summit in 2000, which launched it. Energy has been a major item on the agenda at the annual EU-Russia Summits. The key theme has been the sustainability and reliability of energy supplies from

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<sup>1</sup> Intergovernmental Panel on Climate Change

Russia to the EU. One quarter of Russia's GDP comes from the energy sector and one quarter of EU oil and gas needs are met by Russian imports. The majority of the oil and gas pipelines run westwards and there is no other practical alternative for energy supplies in such quantities for many eastern and western Member States of the EU. The energy imports of EU Member States are also expected to grow substantially. For Russia, although discussing diversifying its markets in China and Japan, it is still firmly tied to the EU as its major market.

Under the Dialogue there are working groups on trade, investment, infrastructure and energy efficiency. Among these groups there is a clear recognition of the interdependence of Russia and the EU in energy terms. However, the contentious issue politically remains: the desire by the EU to invest substantial amounts of capital upstream, in Russian production and pipeline transport and the Russian desire to buy into the downstream energy delivery sector in the EU, which generally brings more consistent financial returns. The Energy Charter Treaty remains unratified by Russia because of this stumbling block and EU Member States approach the issue of securing energy supplies by negotiating bilaterally.

Progress Reports from the Dialogue have pressed the following themes:

1. Increased security for suppliers and consumers
2. Enhancing the investment climate
3. The Energy dialogue and sustainable Development
4. Transportation of oil and oil products
5. The EU-Russia Energy Technology Centre
6. Establishment of a Pan-European Energy Market
7. Enhancing the co-operation in the field of nuclear energy

Alongside this process the EU-Russian Industrialists Round Table has been meeting to discuss the business involvement in the EU-Russia energy dialogue. Unfortunately, trade union involvement has not received the same encouragement on the part of the EU and Russian authorities.

Such an approach is only to be regretted as, apart from the external policy dimension, a number of common issues of internal development raise serious challenges for trade unions across the entire PERC area. These include structure and functioning of energy markets, regulatory regimes and bodies, public service obligation and affordability of prices, security of supply to consumers – backed by high quality workforce and safe conditions of work, etc.

### **Southern dimension of the European energy policy**

While the EU-Russia energy dialogue is undoubtedly the central piece of the energy policy set up on both sides, the southern dimension, from the Caspian region through the Black sea and South Eastern Europe to the western EU members has witnessed a sharp increase in importance over the last couple of years. Developments have involved the use of new approaches for managing energy markets and regional cooperation - some of them the result of successful trade union intervention. In the gas and electricity sectors, the South Eastern European region already operates under EU internal market rules under the SEE Energy Community Treaty (ECT), and the social dimension of the process is addressed by the Memorandum for Social issues and a special structure for developing policies in the social and labour field – the ECT Social Forum with social partners as regular members.

## **Health and safety in coal mines**

Health and safety is a critical issue throughout the energy sector in Europe, as many energy workers work in industries of high risk. If the safety conditions of one group of workers needs to be singled out, it is that of coal miners in Ukraine, Russia and Kazakhstan:

### **Recent fatal accidents**

#### **Ukraine**

Since 1991 more than 4,000 miners have been killed and many thousands more seriously injured. Miner's occupational health continues to suffer terribly.

2007 - Zasyadko Mine – 100 deaths

#### **Russia**

2007 – Ulyanovskaya mine – 107 deaths

#### **Kazakhstan**

2008 – Abaiskaya Mine – 30 deaths

So serious is the situation in Ukraine that John Monks, General Secretary of ETUC and PERC-ITUC has written to the European Commission asking the commission “to use all possible means to press the Ukrainian government to take serious action, backed by the Commission, towards introducing EU standards and practices in the Ukrainian mining industry.”

### **Trade union priorities**

1. As energy is such a strategic issue for both the EU and Russia and is tied into the competitiveness of European industries (via price and supply security) and into the environment (via the Kyoto process and EU action) the PERC-ITUC will examine how to co-operate more effectively in order to bring joint positions to the Member States of the region and to the EU-Russia Energy Dialogue, in particular.
2. In doing so; the objectives of promoting an EU-style social partnership in non-EU countries could be more achievable around practical issues of high importance for all countries. PERC-ITUC unions could seek at least observer status on the various thematic, working groups and the task forces working in the EU-Russia Dialogue and other joint meetings.
3. The ETUC would be able to bring its sector experience into the frame, and its involvement in the Kyoto process (as in Nairobi and Bali).
4. Energy workers, workers in industries which are energy intensive and workers in industries producing clean energy technologies and improved efficiency and conservation systems have an interest in the dialogues. There are already high level contacts between EU energy sector organisations (Eurogas, Eurelectric etc), as there are with the ETUC's Industry Federations.
5. There is not presently a social dialogue within the EU-Russia Summit process and, by demonstrating that the trade union movement could bring something to add to the debate, it could lay the basis for such a dialogue.

6. The research needs in the area of EU-Russia energy links could be discussed by the ETUI, with a view to incorporating it into existing energy and sustainable development work, with an aim to strengthen the social dialogue.
7. The organisation of training activities on energy related topics for trade union officials could be considered by the ETUI, with a view to strengthen unions' capacities on emerging issues such as climate change
8. Consideration will be given to strengthening cooperation in PERC, perhaps through the setting-up of a working group, on issues such as energy use and climate change and related issues linked to social dialogue and industrial relations
9. In relation to the UN's work on climate change and EU action in this area: the introduction of social standards for the production of biofuels should be considered. There is a danger of negative social and environmental consequences, particularly in the developing countries, as biofuels capture agricultural produce away from food production.
10. The opening of real negotiations with the European social partners on the Union's climate policy: PERC-ITUC and the ETUC wish to see real social negotiations on Europe's future climate plans. The objective for European trade unions would be to have a permanent mechanism making it possible to anticipate, prevent and accompany as necessary the economic and social transformations that could result from the introduction of climate policies. The European Commission must facilitate the establishment of such a mechanism.
11. The ETUC and PERC-ITUC also recommend that the EU Globalisation Adjustment Fund be used to address the consequences for workers of measures to combat climate change.