

cnvinternationaal.nl/just-transition



1.Introduction

The energy transition is one of the most urgent and complex challenges of the 21st century. The world must make a shift from fossil fuels such as oil and natural gas, to renewable sources of energy, such as wind and the sun in the face of climate change. However, the Netherlands and Europe must approach this transition as more than merely a scientific or moral challenge. It is also an excellent opportunity to work on geopolitical stability, to increase our strategic autonomy, and to become more economically resilient. And while we are doing all of this, it is equally important to not lose sight of the people who are helping us achieve our goals and ambitions around sustainability. In our quest to fight climate change by transitioning to electric cars and solar panels, it is often the workers providing the resources we need whose lives are being harmed. These people, usually invisible in the process of "going green", are often suffering and being taken advantage of. This position paper addresses the various challenges surrounding the energy transition, the problems it is creating, and how we can work on solutions and achieve a fair and just transition for everyone.

A comprehensive approach to a Just Transition is what is needed and will benefit everyone involved. There are two sides to the transition and both need to be addressed. Firstly, the demand for metals like copper, nickel, lead, tin, and silver has rapidly increased 4-6 fold. These are the metals needed for our green solutions, like electric cars, wind turbines, and solar panels. These metals are being extracted from deep within the earth by mine workers who suffer unsafe working conditions, work extremely long hours, get little sleep, and earn very little money for their efforts.

And on the other side, the demand for coal and other fossil fuels is rapidly dropping, leaving workers, communities, and even countries in dire circumstances. These are the workers and regions whose economies and livelihoods have depended on these resources for decades.

From a strategic standpoint, a Just Transition could decrease our dependence on certain energy sources and increase our energy security in a socially responsible manner. Europe is currently dependent on imported fossil fuels, making us vulnerable to volatile prices and geopolitical risks. In addition, countries like China dominate the market for critical and strategic raw materials, like rare earth metals. This alone creates a risk for energy security in Europe. The Netherlands and the EU can improve their own production chains, create more supply security, and lower geopolitical risks by investing in sustainable mining and strategic raw material partnerships. Creating Just Transition partnerships to invest in local, renewable energy sources is an especially effective way for Europe to become more independent regarding energy and to ensure our supply. Further, these strategic raw materials partnerships must be transparent as well as sustainable, providing sufficient benefits for each country in order to maintain or obtain their position as preferred partners.

Therefore, efforts to create a fair and just energy transition are not only a moral obligation, but also an economic, geopolitical, and strategic necessity. For Europe and the Netherlands, this means an integrated approach is needed, one which addresses both the national and international dimensions of a Just Transition. By investing more into policy making and strategic partnerships with countries rich in critical raw materials, Europe and the Netherlands will not only contribute to the global efforts to combat climate issues, but they will also be improving their own economic and strategic positions. A Just Transition is not only a matter of ethics. It is also intelligent policy and strategically insightful.

2. The energy transition problem

We are currently in the middle of an intensive transition. Climate change is forcing us to take dramatic steps to make our economy greener. Many people do not realise that this energy transition not only affects Europe, but also the countries where we source both coal and metals. Meeting the enormous increase in demand for raw materials has fallen upon the shoulders of mine workers who work under extreme conditions filled with risk. They now have to work harder than ever while their conditions remain unimproved.

Our energy transition is too dependent on a small number of countries and companies. One significant issue affecting the transition is the fact that nearly all the power within the chains is in the hands of a small group of international companies. This is true for both the metals and the coal mining industries. Moreover, we are overly dependent on China for the extraction and processing of metals. In a recent CNV Internationaal study done by Profundo, it became evident that China is the most important country when it comes to exporting metals from Peru and Bolivia. The USGS (United States Geological Survey) confirms this as well. 80% of rare metals worldwide were imported by China in 2019. This dominance is dangerous to our access to these metals and therefore also dangerous to the energy transition. In addition, it affects the degree to which European and Dutch import companies will be able to influence how climate, environment, human rights are going to be impacted in the chains.

Miners at the front of the chains for both metals and fossil fuels often work under terrible conditions. Companies in the mining sector usually outsource their employees. Most of their employees are forced to work through sub-contractors, which keeps them in vulnerable positions. They have far fewer rights than the mine workers who have direct contracts with the mining companies. These temporary workers are continually given short contracts of 3-6 months; they don't have freedom to establish or join unions, or to directly negotiate with the mining companies. They receive no extra compensation for overtime or holidays. They earn an average of 30% less than their co-workers with permanent contracts who do the same work. They often work extremely long shifts, which the coal miners in Colombia call "the death shift." They work 7 days straight for 12 hours a day and then get 3 days off to rest. Working such long days creates dangerous and unhealthy situations.

The Netherlands and Europe can make sure that trade policy regarding raw and processed materials is safe and also ensure development in the countries rich in these resources. This can be done by establishing just transition partnerships and promoting the use of raw materials from fair, sustainable, and transparent sources.

A just transition for every worker

The transition to a low-carbon and climate-resilient economy has to be fair and inclusive. A fair transition means grasping the opportunities of new technologie that are needed for a green eoncomy, and countering and preventing negative impacts on the workers that are affected worldwide. CNV International focuses on the workers at the beginning of the international chains: on the mineworkers that mine the metals that are needed for the transition to a green economy, and on miners that are working in the coal mines that will close in the coming years. When Europe commits to the development in resource-rich countries, we ensure that we maintain access to raw materials while preventing exploitation.



^{1.} Quiroz, D., Kuepper, B., Achterberg, E., Rajeevan, C., Warmerdam, W. (2022, September), Towards a just energy transition. Labour rights risks in the Latin American mining sector, Amsterdam, The Netherlands: Profundo

^{2.} Rare Earths Data Sheet - Mineral Commodity Summaries 2020 (usgs.gov) - https://pubs.usgs.gov/periodicals/mcs2020/mcs2020-rare-earths.pdf

3. Recommendations for Critical Raw Materials Just Transition partnerships

The Netherlands and Europe should be developing fair, equal, sustainable, and transparent Critical Raw Materials Just Transition partnerships with countries rich in resources. This can also be done bilaterally from the Netherlands with countries Europe doesn't have (trade) agreements with. Make sure these partnerships align with local needs by, for example, working to increase value and creating jobs in the area. This is important to regions rich in raw materials. Providing such practices based on equality and fair agreements will provide an alternative to Chinese "belt and road" investments. Many countries are realising that being dependent on a single major economic power to export all their materials is not to their benefit. For many countries, the "honeymoon phase" of their relationship with China is over and they are considering other business options and partnerships.

The mining industry has an enormous impact on local communities and their economies. It is often a source of intense local social conflict. Establishing policy at national levels is important for governments of resource rich countries for several reasons. Not only will it attract investors, but it will also show that they have entered into agreements which include decent work and human rights. Below is a list of specific conditions to be followed for Just Transition partnerships for critical raw materials.

Conditions for Critical Raw Materials Just Transition partnerships with production countries

Critical Raw Materials Just Transition partnerships should be based on a cooperation between the Netherlands or Europe and the metals sourcing countries. Both the Netherlands and Europe have already begun forming these types of strategic partnerships. It is crucial that both governments ensure a partnership based on an integral approach which includes all facets of a fair energy transition. It should be a green motor that stimulates fair work, getting metals, and a sustainable management of natural resources. This approach will ensure that Europe and the Netherlands can maintain access to resources.

- 1. The Dutch government must be **transparent** over the process and content of partnerships, even during development stages.
- 2. Civil society is crucial to forming equal relationships, especially in light of the fact that (local) trade unions and other social organisations are losing their position and effectiveness worldwide. Therefore, these organisations must be **actively approached and involved** in the entire process: Beforehand as relationships are being formed, during the execution, and after the partnership is over, in order to evaluate.
- 3. Partnerships should have a **chapter on sustainability**, where both parties formulate how they will work together to improve environmental factors and human and labour rights. These must align with the agreements and guidelines of the ILO, OECD, and UNGPs.
- 4. Local unions and social organisations should be structurally included and used to monitor the partnerships. The agreements should include support for local unions and social organisations that are working towards a sustainable transition. This is, for example, for issues such as identifying breaches in the mines and monitoring the partnerships' sustainability agreements.

Further, the following elements must be included in a Critical Raw Materials Just Transition partnership and/or any accompanying support herein.

- 1. Social dialogue: Governments, unions, and employers in production countries should support social dialogue on what kind of social and economic policy is needed to achieve a fair transition. Also use social dialogue to make sure the private sector invests in fair and decent work, paying specific attention to women and youth.
- 2. Strengthen labour rights and freedom of association: Decent work is an important condition in a just transition for miners. Mine workers should have safe and good working conditions. Outsourcing needs to adhere to strict rules and all workers should be entitled to freedom of association. The Netherlands can play a significant role in improving labour inspections by providing technical support.

- 3. **Social security**: Mine workers should have social security and protection. The sector is one with high risk, including a prevalence for uncurable occupational diseases and serious accidents. Workers must be provided for if they become unable to work.
- 4. Financial support for investing in fair work: Companies in both the Netherlands and production countries should receive financing with more favourable conditions when they invest in fair work. This financing should be coupled with several other requirements, such as the companies must operate with respect for the environment and human rights; true unions must be allowed; and the excessive use of outsourcing must be prevented.
- 5. Multistakeholder and sectoral collaborations should be stimulated: In both the Netherlands and locally, collaboration among chain partners, unions, and social organisations is a crucial element when it comes to addressing the major issues. The Netherlands should implement their skills and knowledge in this area.
- 6. Monitoring and local grievance mechanisms: Monitoring systems need to be established so risks can be identified quickly. Trade unions and workers can play an important role in the process of verifying information. Then, independent, accessible complaint mechanisms should be established locally for mine workers. These should be set up in cooperation with other companies, the government, unions, and NGOs.
- 7. **Make transparency in the chains mandatory**: An important part of respecting labour rights is making the chains public. Transparency is fundamental to understanding, identifying, and solving problems in the chains.

4. Recommendations for a just phase out of coal mining

Transition plans for phasing out coal

Regions where coal mines are being closed need to be supported to achieve a just and sustainable transition. These closures should be well regulated, including plans for dealing with how the closures are going to affect the environment and the labour situation, and laying out concrete plans for the workers. A sustainable transition would contain at least the following 4 elements:

- 1. Social dialogue and freedom of association: Mine owners and their employees must conduct constructive social dialogue regarding the consequences of (upcoming) mine closures and how they will be addressed. This social dialogue should take place at regional and national levels. A formal dialogue should be started to establish just transition policy which pays attention to all parties involved, with focus on the labour perspective.
- 2. Social security: Funds must be allocated to provide social security for all people whose work depends on the mining sector, directly or indirectly. These funds must also provide protective compensation for workers who can no longer work due to career related illnesses.
- 3. **Economic diversification**: Provisions must be made for alternative work, for example, the creation of a fund for economic diversification. This money could be used to begin test projects in sectors like agriculture, tourism, and renewable energy.
- 4. Career training programmes: Miners often work in the mining industry for their entire lives, which makes it difficult for them to find jobs in other sectors. Therefore, it is important to look at career development programmes which are based on an analysis of the skills the miners already have. This will help them find work after the mine closures. The Netherlands should implement their experience and knowledge from when they underwent a transition from coal to natural gas and many coal mines in Limburg shut down. Trade unions played a key role in that transition as well. They only accepted the mine closures on condition that the government would provide alternative jobs for the miners.



5. How does CNV Internationaal work on the energy transition?

Fair Work Monitor Results

The men who work in the open Cerrejón coal mines in Colombia have much longer work shifts these days. They call these "the shift of death". They work 7 days a week, 12 hours a day, and then receive only 3 days off to rest before it all begins again. This has direct consequences on their health and safety. Moreover, these shifts make having a family and any life outside of work extremely difficult. Our studies show that more than 70% of mine workers had micro naps during their work days. This creates health and safety risks in the mines. Kilometers deep under the ground, fatal accidents can and do occur. In Peru, 41 mine workers died as a result of accidents in 2017. Many workers also suffer from the lung disease, silicosis, due to dust, chemicals, and poor ventilation in the mines. The miners most at risk are those working with temporary contracts, Sadly, these temporary workers make up the majority of the workforce. Only 10% of mine workers have a direct and permanent contract.

CNV Internationaal works with unions in resource-rich countries in Latin America, Africa, and Asia to improve labour conditions in the mining industry. We also use our Fair Work Monitor to be in direct contact with the mine workers. This gives us a view into their labour conditions and allows us to monitor how legislation and general human rights are being implemented properly.

- 1. Coordination network with local trade unions in coal mining industry. CNV International works in the coal sector in places like Colombia, for example. We work with local trade unions to establish decent social dialogue on the plans for a just transition, plans which compensate damages to the mining industry. In Colombia, the local unions, supported by CNV Internationaal, have set up a coordination network: The Workers Collective for a Just Transition in Mining. This collective represents all employees during social dialogue with companies and the government and develops proposals for social plans with decent compensation for loss of work and healthcare expenses for career related illnesses.
- 2. Observatory for a Just Transition in the Coal Mining Sector. On 7th October 2021, the Colombian Workers Collective, with support from CNV Internationaal, launched the Labour Observatory for a Just Transition in Mining. This observatory provides input for strategies to redevelop mining regions, specifically by stimulating new industries and focusing on economic diversification. This is one way to create new job opportunities which will facilitate a decent life for the miners and the rest who depend on the industry for their livelihoods. CNV Internationaal and European coal buying energy companies are working on this together.
- 3. Social dialogue with companies and local mining unions. In the countries where metals mining is drastically on the rise due to the sustainable energy transition (e.g., Peru and Bolivia), CNV Internationaal works with local trade unions to establish social dialogue with mining companies. Because it is important for all the parties in the supply chain to take responsibility for their practices, CNV Internationaal addresses each link in the chain.
- 4. Transparency and safe working conditions in the chain. We are working on a project associated with the International RBC Agreement for the Dutch metals sector to improve working conditions and transparency in the chains. The project identifies where and what the risks are in the various mines, and then shows how they can be decreased through collaborations and trainings.

- 5. Complaint filed through European trade agreement's grievance mechanism. CNV Internationaal has filed the very first union complaint through the EU's Single Entry Point (SEP) grievance mechanism to bring attention to the terrible labour conditions in the mines in Colombia and Peru. The SEP is the European Commission's grievance mechanism set up to ensure that the Trade Agreement is being upheld. Our complaint is filed against in both countries for violations of the rights of the workers who are hired through employment agencies in comparison to the workers who are hired directly by mining companies. Their working conditions differ significantly, both in terms of security and pay. The goal of the complaint is to bring attention to the anti-union activities in both Peru and Colombia. We received a response from the European Commission in 2024. At first, CNV Internationaal was disappointed that the complaint was not immediately addressed, but we continue working constructively with the European Commission and our partners so we can develop a road map for improvement.
- 6. **Improving national and international policy.** CNV International has participated in ILO negotiations for achieving a just transition.

Meer informatie:

- -ILO Guidelines for a Just Transition (2016) These guidelines are a framework for policy and a practical tool to help countries make a positive, effective, and just transition.
- ILO resolution on Just Transition (2023).
- ILO Recommendation 205, Employment and Decent Work for Peace and Resilience (2018). These
 recommendations include work-related measures to prevent and combat the devastating effects
 of crises on economies and societies.
- ILO Recommendation 205, Employment and Decent Work for Peace and Resilience (2018) These
 recommendations include work related measures to prevent and minimise damaging effects of
 crisis on economies and communities.
- <u>Just transition in mining (cnvinternationaal.nl)</u> Find more information about the work of CNV Internationaal and the Profundo report.

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^{5.} Response to the SEP: A road under construction for miners' rights (cnvinternationaal.nl) - https://www.cnvinternationaal.nl/en/topical/news/sepcomplaint-eu

Who we are and what we do

CNV Internationaal, for 100% fair work

100% Fair work, that is what CNV Internationaal is working for every day in Africa, Asia and Latin America. We do this by working together closely with local partner trade unions and by investing in good cooperation with other partners, such as companies and governments. Fair work means that people can work safely and in all freedom, earning a living wage. Freedom of association (FoA) and social dialogue are important conditions for achieving this.

100% Fair Work means that women and young people have the same opportunities on the labour market as everyone else: no discrimination in working conditions (e.g. wages, holidays, etc.)

100% Fair Work also entails that we investigate the safety, health and freedom of workers. For this, CNV Internationaal and its partner trade unions make use of innovative tools such as accessible, digital surveys. To know exactly what is going on with workers strengthens our position at the negotiating tables. Moreover, it enables us to measure improvements and the impact of our work.

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