

Industrial relations for a green economy

Innovative bargaining processes for a sustainable growth and a quality employment



Project VS/2014/0405 co-founded

by

DGESAI - DG EMPLOYMENT, SOCIAL AFFAIRS and INCLUSION

CASE FRANCE

TOTAL, Plateforme of Carling : What the future of Carling?

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PRESENTATION (IDENTITY CARD OF BEST PRACTICE)

Name of initiative/project/ intervention/agreement

case: **Total, Platform of Carling.**

Short description

For two years TOTAL Group has been considering to stop its petrochemical cracker in the site of Carling. The activity of the platform of Carling is based on initial processing of oil to produce gaz wich is turned to plastic. There would be substantial overcapacity in Europe. The demand for plastic has fallen by 10 % in five years. So TOTAL is considering to redeploys its activities. But Total wants to cut jobs without dismissals (lay-off).

Geographic, territorial, sectorial localization

The site of Carling is located in the region of Lorraine.

Period of activity

2012 to september 2014.

Players / promoters

Players/ partners involved, their main functions

There are multiple players involved in social dialogue at many levels and trade unions have pushed to obtain an economical expertise.

- Companies :Total group, Arkema¹, the association of the industrialists of the platform of Carling
- Local institutions
- Government representatives
- Trade Unions (CFDT, CGT...)
- Idée Force consulting with economic expertise
- workers

¹ ARKEBA a former subsidiary of TOTAL, is also a « key player » because more of the land is its property.

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Types of Beneficiaries (direct/indirect):

- Region of Lorraine and the workers : the actions defend employment level in the region of Lorraine very affected by desindustrialisation.
- Labour Unions : An effective social dialogue on the future of Carling and an agreement concluded between social partners. A real influence of labour unions on the analysis of new opportunities to maintain or increase the employment in the site of Carling.
- CFDT : strongly involved in the industrial reorientation process, CFDT has obtained good results at last professional elections.
- Chemistry industrials (Total, Arkema,..)

Indicators for monitoring and evaluating activities :

- Number and quality of jobs which will still on the site of Carling.
- Means for research and development
- Quality of relationships between industrials and local institutions and between social partners
- Ecological impacts : Less pollution of soil and water.

DESCRIPTION

Starting point of the initiative/project/intervention as related to the territorial context (social, economic, political)

Idée Force, a consulting has been asked by the CFDT with the agreement of the TOTAL management to make an expertise.² What are the conditions that must be satisfied to make the site attractive for the implementation of new enterprises in this site? Idée Force consulting thinks that making it more "clean", less polluting is a challenge and could be a decisive economic advantage. Otherwise the site would remain polluted a long time and will be less attractive for new investors.

Description of the socio-economic, territorial, corporate context in which the initiative is based. Is it possible to describe the “philosophy” inspiring the best practice ?

In this region hardly concerned by desindustrialization, CFDT wanted the expertise to identify the conditions that must be satisfied to make the site of Carling attractive for new enterprises implementations. CFDT aims to find scenarios oriented toward sustainable development.

What problems/general needs the interventions is trying to address? What the specific ones are?

This prospective analysis seems to come very late while in other cases it has been made earlier with a duration of about twenty years. The stakeholders (employers, trade unions, the government and the region authorities) must reach an agreement on the urgency of implementing solutions because

² Idée Force has been created by CFDT (trade union)

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in case of failure, the economic survival of the site will be very compromised with substantial risks on employment.

What the goals/ends the intervention is trying to achieve? What bargaining dynamic had been in place?

Environmental issues

Today, the burden of water sanitation is up to Arkema, so this company could reject the establishment of new enterprises whose activities would worsen the pollution of soil. The implementation of the Framework Directive of water aims a decontamination by 2025. The survey report made by Idée Force consulting concluded that an ecological restoration of the site could provide attractiveness and potential for development of industrial activities in chemistry.

What activities and instruments the intervention is operational through ?

- *a local dialogue inside the Total company (an agreement has been concluded)*
- *a local dialogue between local authorities and the association of the industrialist of the platform of Carling (Total, Arkema and several firms)*
- *the conclusions of the expertise that show the interest of a shift toward “green” chemistry and of ecological restoration providing attractiveness and potential for development of industrial activities in chemistry*
- *a national consultation by the government of all stakeholders with 5 working groups*
- *an economic revitalization agreement* which has been signed between Total and the Prefecture (representing the state in the region). The amount of the agreement is more than the usual legal obligation which is calculated on the number of job losses. The administration and Total will jointly support actions of revitalization identified by the survey report.

How the actions can increase knowledge and support overcoming specific problem

This prospective analysis on the way of conversion for the « industrial tool » seems to come very late while in other cases it has been made earlier with a duration of about twenty years. The period before being able to create jobs on the site is estimated to be at least 2 years. Since negotiations opened there are few concrete proposals of creating jobs in a short term from the employers. This is a big challenge with a difficult managing time.

However the discussions at the national level led to an action plan for the future of chemical platforms. These discussions took place in a sectoral strategic committee of the National Council of Industry (CNI) since february 2014. Stakeholders have been consulted in order to set up an appropriate governance recognized by all the players taking part to the discussion on the process of reindustrialization. On one hand, good results are due to the enhancement of cooperations between economics actors (employers) and the others (institutions, Trade Unions) and between industries. On the other hand, the results for employment level and in environmental investments are linked to the real commitments reflected by the agreements concluded.

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As concerns the territorial context what the most innovative aspect of the initiatives are? Why?

The innovative analysis is that ecological actions can benefits to industrial projects and that employment increase could be based on new green activities (ex: green chemistry). Regarding the sensitive issue of land polluted, the association of industrialists of the platform of Carling which include Arkema is now working to ecological restoration.

What the “internal quality factors” of the initiative are (sustainability, internal efficiency, effectiveness)?

Former CFDT commitment to sustainable development brings credibility to his word. For 4 years FCE-CFDT (chemistry federation) raised these risks for employment, taking a clear speech to employees telling them that the future of jobs will not go through the steam cracker. The result is that CFDT has increased in the last elections from third professional organization, to the rank of first union. This change of majority inside the company coincided with the “Lorraine Pact”, the opportunity for the Management of Total to announce its willingness to negotiate on the re-industrialization of the site. In September 2013, an agreement negotiated centrally in TOTAL group was concluded and signed by the Management and three labour organizations (CFDT, CFTC and CFE-CGC). It has provided for recourse to an expertise that unions have taken advantage of.

Is it possible to transfer the initiative in other context?

The reorganization in preparation at Carling is considered exemplary by the management of Total which is about to announce the reorganization in refining highlighting the example of Carling as a good practice of preparing an industrial reorientation. The CEO wants to do in the same way in refineries in order to analyze the possibilities to redirect refineries to new activities in France and Europe.

Is the initiative reproducible in different contexts?

Yes, but it is necessary to distinguish the part related to industrial relations and territorial consultation and the part related to investment. The quality of industrial relationships is a decisive factor.

Please point out communication instruments (website, documents, booklets) concerned with the initiative.

http://www.cfdt.fr/portail/lorraine/elections/la-cfdt-obtient-la-1ere-place-chez-total-carling-prod_137703

http://www.cfdt.fr/portail/carling-la-cfdt-mise-sur-le-dialogue-social-pour-preserver-lemploi-et-preparer-lavenir-prod_171926

http://www.cfdt.fr/portail/l-industrie-face-a-la-crise/petrochimie-210-emplois-supprimees-chez-total-carling-prod_161824

<http://www.republicain-lorrain.fr/moselle/2013/09/04/plateforme-chimique-une-si-longue-inquietude>

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Please write your final considerations

During the summer of 2014, changes in organizational structure of the platform of Carling occurred with the appointment of a new director of site. Trade unions have requested a meeting to the Association of the industrialists of the platform of Carling. They want to be sure that the determination to go beyond what is usually done in preparation of industrial conversions stills relevant. They have reached an agreement to continue the social dialogue on the future of jobs of Carling. CFDT seeks to create an enabling condition to get more than the Union influence on analyzing possibilities of new activities. CFDT aims that Trade Unions could be recognized as a party (stakeholder) to the revitalization agreement or at least that consultation take place.