



Manifesto to put industry back to work



A roadmap for **re-industrialising** Europe and
ensuring the future of European industrial employment and sites



Editorial **industriAll for Europe** **All Europe for industry**

IndustriAll Europe is convinced that industry has a future in Europe and that industrial policy is a cornerstone of economic policy. Industrial policy must also provide for the transformation from a strategy based on cost efficiency to a strategy aimed at social needs, innovations, new niches and markets - a strategy that also looks at the whole value chain, from the first idea to the finished product, and where costs are less important. European industrial policy should also establish the EU as a competitive frontrunner in transforming its economic model into a sustainable, social, knowledge-based and resource-efficient economy.

In this respect, industrial policy must be more than merely passive support for a positive business environment and should go beyond channelling subsidies to business. Industrial policy should develop visions and strategies and launch industrial projects. It must prepare industry for the future scarcity of both energy and natural resources, contribute to the development of new markets and support technological breakthroughs. All the more given that the role of governments will become more important in a sustainable economy. The new growth model will indeed be driven less by individual consumption of goods (so-called consumerism), and more by the search for solutions of social needs: energy, closing the environmental loop, health, ageing of the population, or global warming. As a result, government regulation and collective needs will be more and more decisive for the individual patterns of consumption and investment decisions by businesses.

Europe has the technological, economic and human potential to be successful in this transition. Europe plays a leading role in many environmental technologies and is a leader in the new key technologies field. The common European social values are undeniably an important support for a more sustainable growth model. The European social model has created a high-performance, social, economic and institutional infrastructure, which is stable and sophisticated, and offers the right ambient framework for a sustainable industrial transformation.

With its new industrial policy, the EU has undoubtedly taken a first step towards a new industrial growth model. Investments are also needed for the modernisation of traditional industrial sectors. New value chains and activities with sufficient potential for new growth and employment have to be fostered. Europe will have to develop new economic strengths and strengthen existing ones. As these are long-term processes, the efforts must be sustained in a consistent way. Public authorities and trade unions will have to work intensely on the elaboration of these long-term strategies, on their translation into concrete action plans, on the conversion of social needs in industrial solutions, on the integration of industry policy with other policies such as employment policy, education, sustainable development and energy. The starting point thereby must always be the strengthening of the strategic triangle between sustainable development, creation of value added and high quality work. In this way Europe should be able not only to maintain industrial activity within its territory but also push for a successful renaissance of its industry.

As a growing number of European citizens have turned their backs on Europe because they feel Europe has let them down, it is high time for Europe - after saving the banks - to start securing the future of the 26 million Europeans who are looking for a job. Otherwise the EU risks losing citizens as anti-EU populism on the continent rises, creating a public mood that blames Europe for all the plagues caused by the global financial crisis. IndustriAll Europe therefore believes that the European project has to be turned into a project for solidarity, for prosperity, for recovery, for growth and for investments and jobs.

The title of the European Communication on industrial policy in 2012 was "A stronger European Industry for Growth and Recovery". IndustriAll Europe could not agree more. Europe must succeed in becoming an attractive investment location for new jobs and manufacturing. IndustriAll European Trade Union believes this constitutes the real challenge for the next European elections.

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This Manifesto sets out the demands of industriAll European Trade Union towards national parliaments, the European Parliament and the European Commission for the legislative term of 2014 - 2019. The demands focus on the need to maintain and continue to develop a strong manufacturing base in Europe as a necessary condition to enhance economic growth, create quality jobs, support the transition to an environmentally sustainable industry and find solutions for the grand societal challenges (for example managing climate change, globalisation and demographic change) that our economies are confronted with.

A European Solution ...

It has been more than six years since the global financial sector set off the worst economic crisis of our time. Greed, irresponsibility, irrationality and abuses brought the world's financial markets to the brink of collapse and caused a severe recession and impacts are still being felt today. However, instead of putting swift measures into place that ensure that the culprits, speculators and banks engaged in excessive lending bear the consequences of the crisis, public funds have been used to bail-out a failing financial industry. As a consequence, public deficits rose to heights which then became the justification for the introduction of austerity measures that strangled economic growth throughout Europe and caused unemployment to rise to levels never seen before.

A change in direction is overdue. We have to end the still ongoing domination of the financial system over the real economy. The playing-field of global financial capitalism must be reduced back to its essence: turning savings of citizens into investments that live up to the needs of these citizens. Re-regulation and consistent monitoring are urgently needed to ensure that financial markets promote rather than endanger the growth of the real economy. A banking sector which creates tremendous wealth for a limited few but which brings millions of ordinary people into hardship has no social and political legitimacy.

The current increasing divide between prosperous parts of the European Union (EU) and stagnating regions entails great risks. In addition to the direct disadvantages for the countries in persistent economic hardship, the situation in these economic regions can have severe implications for the entire EU. Countries in recession or with stagnating economies will import



fewer goods from other parts of the EU; falling wage rates in countries in hardship could lead to wage pressures in the rest of the EU. The desperation of many workers in the countries most severely affected

leads to migration of citizens in search of temporary or permanent employment in other EU Member States and outside the regulated labour market, creating a situation of forced mobility rather than the desired freedom of movement.

There is no doubt that the European project has been a great achievement, which has guaranteed peace, freedom and economic well-being for its citizens ever since the end of World War II. This idea will however lose its attractiveness should the impression further assert itself that only a minority profit from a united Europe. Solidarity and social justice must finally be recognised as factors of equal importance next to economic competitiveness throughout the EU. Consequently, the rich and economically stronger countries will have to contribute more to a plan for recovery and finance future investments than weaker groups or countries. The aim is to restore sustainable growth that creates high-quality jobs and overcomes widening divergences across the EU. A short-term

stimulus will not be sufficient. We need a longer-term perspective to overcome the deepening difficulties and divisions in the EU.



Re-industrialising Europe by strong, smart and sustainable policies

The erosion of our industrial base has to be stopped. IndustriAll European Trade Union therefore welcomes the fact that the fallout of the financial crisis has brought the importance of a strong manufacturing base back into focus, that there is now a general consensus that economies can only prosper when maintaining a substantial industrial base and that a critical threshold of manufacturing is necessary to maintain the sustainability of the European economic and social model. Austerity measures have dried up financing in the countries worst hit by the crisis and caused the disappearance

of thousands of jobs and companies, thus creating areas of “industrial desertification”. These developments need to be urgently reversed in order to foster economic activity and employment by implementing industrial recovery policies jointly agreed and coordinated by the social partners.

An effective European industrial policy will have to face a triple challenge: that of putting a halt to the disastrous consequences of the financial crisis and austerity policies on the real economy, tackling increasing competition and leading Europe’s industry

along the path towards low emissions and sustainability. Tackling these challenges requires a policy for bolstering the re-industrialisation of Europe and should be



based on innovative clusters, technological breakthroughs and the development of “factories of the future”. It should also be clear in this respect that industrial policy should be more than purely supportive flanking policies (creating the environment for businesses to flourish). An active industrial policy should strengthen the existing instruments for horizontal policies (employment, taxation policy, R&D, innovation, training and skills, infrastructure and innovative clusters), concentrate on the non-price factors of competitiveness, pay attention to the demand side through

the reinforcement of employee purchasing power, a massive increase in investment as well as the development of new markets and innovative public procurement, develop new instruments directed to the decoupling of economic growth and environmental impact, and implement action plans for strategic sectors and value chains (the ‘vertical’ side of industrial policy). Specific strategic aims for Europe’s industrial policy have to be defined under consideration of shared and well-structured assessments of potential activities and the roles of specific industrial sectors.

The financial and resulting sovereign and debt crisis have severely affected Europe’s industrial fabric to such an extent that there is a risk that important parts of Europe will lack the critical mass for an industrial recovery. In no way may the EU lose its ability to innovate, to develop and manufacture products and services that live up to the great challenges of our society. Europe must not lose the critical mass for industrial recovery. Manufacturing capabilities, once lost, are hard to recover, but may prove to be very important for the development of new products and activities.

Recommendations to make manufacturing again part of Europe’s future

To support the re-industrialisation of Europe and to ensure a future for industry - manufacturing and industrial services - and its workers, IndustriAll Europe calls for urgent and well-targeted industrial policy actions in order to reinforce existing strengths, develop new opportunities, restart investments remedy the weaknesses and tackle the accompanying challenges. IndustriAll Europe hereby proposes the following recommendations for the period 2014-2019 to put industry back to work.

1 Restart the economy

Industrial policy can only be effective in a stimulating macro-economic environment. As industrial policy produces results in the medium and long term, it can never correct for the negative impact of restrictive fiscal policies. Without expansionary economic policies the Eurozone economy is likely to get stuck in a combination of low growth and low inflation, flirting with deflation and embarking on a semi-permanent recession. In this context, the EU will not be able to achieve the 75% employment objective of the EU 2020 strategy, which requires the creation of 17.6 million new jobs.

The EU does not require further austerity policies. While it is true that in the long term fiscal deficits will have to be reduced, it will never be possible to reduce the deficits/debts without putting in place the policies that support economic growth and job creation and restore hope and confidence amongst workers that are urgently needed today. For instance, Europe's society and economy have been relying upon efficient transport infrastructure and transport services. Infrastructure development has now stopped, however, especially in the

crisis countries. Yet maintaining a world-class infrastructure would stimulate economic growth and the construction stage would offer much needed employment. Expansion and maintenance of existing infrastructure must therefore be supported, funded by public authorities as well as through public-private partnerships.

To stop the infernal circle of recession and austerity, the members of the European Parliament and the European Commissioners should pursue a strong, coordinated and demand-led macroeconomic policy. Strong internal demand must be fostered throughout Europe. It is the precondition for a sustainable economy, meeting the future needs of workers and maintaining the European social model. Europe has focused on re-establishing budgetary orthodoxy and implementing austerity measures for far too long.

Recommendations

- ▶1 Support for the implementation of 'A new path for Europe', the ETUC investment plan for Europe. The objective of the plan is to invest annually an additional 2% of EU Gross Domestic Product (GDP) over a 10-year period in infrastructures consistent with sustainable development criteria: trans-European energy and transport networks, renewable energy, digital infrastructures, urban renewal, energy efficiency, social and passive housing, infrastructure for elderly people, education, health services, etc. The plan could yield up to 3% additional GDP and generate between 9 and 11 million new jobs over 10 years.
- ▶2 Investment projects at European level should be developed jointly with national investment projects. Priority should be given to investments that have the most significant impact on domestic economic activity. The doctrine of growth and competitiveness of the EU remains unclear. The Lisbon Strategy of 2000 was a failure and the EU 2020 strategy is having difficulties in taking off. We need long-term investments to finance

sustainable growth, but the European financial market is not responding to the need to develop SMEs, innovation and infrastructure, whilst European states have helped banks to the tune of € 500 billion during the Euro crisis.

13 A fairer tax system

3.1 At national level

a - By integrating all revenues in income tax (e.g. income from capital, rents, etc) and introducing e.g. a wealth tax

b - National governments should ensure fairer income distribution through a progressive tax system as a way to promote domestic consumption and thus stimulate economic growth, redistribute income and wealth, and fund social policies,

3.2 At European level

a - by switching taxation from labour to capital by closing fiscal loop-holes and tax havens, tackling tax avoidance, scrutinizing transfer pricing arrangements and impeding aggressive corporate tax planning strategies

b - by an upward EU harmonisation of company taxation, establishing a minimum level, so as to avoid fiscal dumping

c - by establishing consistent, transparent and controllable rules for international financing standards (IFRS).

14 While it is true that the European Central Bank (ECB) has repeatedly cut interest rates, giving banks access to cheap and large amounts of liquidity for long periods or by buying sovereign bonds, the ECB mandate should include the following:

4.1 - The ECB should be given the permanent ability to fight against speculation against Euro states and against high interest margins. We therefore call for a debate on the revision of Art.123 of the Treaty on European Union (TFEU) that currently does not allow for these measures.

4.2 - Full employment and adequate economic growth should become, in line with the US-FED, part of the statutory goals of the ECB, along with price level stability.

15 The European Social Model (whose main components are social protection and labour market regulations) is a unique comparative advantage for the EU in a globalized industry and should be preserved and strengthened. It has also an economic function via automatic stabilizers which maintain income and economic activity. These helped the European economies to avoid the worst during the recession. More social protection is also a lever to restore economic confidence with consumers.

16 Elimination of the low-wage sector in Europe through collective agreements and/or legal regulation – for instance on minimum wages - in accordance with existing practices in the individual countries. The EU and the Troika must immediately stop their efforts to force down wages and terms and conditions across Europe and their attacks on collective bargaining. Structural funds need to be reinforced and further instruments that soften asymmetric shocks to employment and the social system need to be set up.

17 It is imperative that the implementation of the EU 2020 objectives of an employment rate of 75%, the fight against poverty, the promotion of education, sustainable development and 3% R&D expenditure, be given absolute priority over the objectives of the Stability and Growth Pact (restrictive economic, financial and monetary policy)

in order to avoid a failure like that of the Lisbon Strategy (the European growth strategy for the period 2000-2009).

- 18 EU Member States should be encouraged to concurrently increase public infrastructure investments to stimulate their economies and avoid a slow growth period. Research and development into both infrastructure and vehicles must be increased. Existing infrastructure must undergo necessary maintenance and expand in order to respond to the needs of a future industrial Europe. Financing must be increased and made available for research projects to develop optimal interconnection and linkage of the various transport options in Europe.



2 Stop internal devaluation and make the system of economic governance socially and democratically responsible

The implementation of “adjustment programmes” - leading to austerity in some countries that has had a devastating effect on workers, their families and wider society - and the creation of a new system of Economic Governance have been developed in parallel. For industriAll Europe the main purpose of European Economic Governance must be the protection and creation of decent incomes and working conditions, as well as steady employment, without interference in national systems of social security, wage-setting and collective bargaining.

The rationale behind the newly introduced measures (6-pack, 2-pack, fiscal compact) is a neo-liberal policy blueprint aimed at replacing ‘external’ (currency) devaluation by ‘internal’ (wage and labour market policy) devaluation: cuts in wages, pensions and welfare payments, deregulation of labour markets and attacks on workers’ rights. Packaged as ‘labour market’ reform, the new system of economic governance is an ideological attack on all regulations/institutions that prevent wages from falling and is leading to the undermining of the European social model. Furthermore,

macro-economically speaking, the reinforced Stability and Growth Pact has exacerbated the economic crisis in Europe and has led some countries to the edge of the abyss. The impact multiplier of 1% of fiscal consolidation has a negative growth effect of 1.5% to 2.5% (depending on the degree of openness). Contractionary fiscal policy has imposed cumulative losses of output equal to 18% in Greece, 9.7% in Spain, 9.1% in France and 8.4% in Ireland. Austerity programmes fail when every country imposes austerity measures at the same time. Especially in the South of Europe, fiscal retrenchment has proved to be very costly (reducing economic output) and not very effective (no reduction of the debt ratio), while at the same time undermining economic and political stability. The economic, social and political damage of excessive fiscal consolidation is considerable, with the economy being dragged into stagnation. The consequences can already be seen today: the current austerity policies lead to historic unemployment, a lost generation of young people and mounting Euro-scepticism and populism. Austerity policies have also raised the problem of



democratic legitimacy since a centralised fiscal policy with strict oversight of taxing and spending decisions of democratically-elected governments can, in fact, only be carried out by a democratically-elected European Commission.

Consequently, in a democratic society, the economy continues to serve human development, just as finance should serve industry. Political power regulates behaviour in the interests of the majority with a view to financing public policies and redistributing wealth.

Recommendations

- ›1 The current austerity policies have to be ended and replaced by dynamic growth strategies based on shared visions of the future, encouraging direct investments, entrepreneurship, exports, innovation, qualifications and human investment, clusters between firms and research institutes, creating new businesses, ensuring energy security, and increased support from the structural funds, etc.
- ›2 Efforts need to be made by the ECB to strengthen the financing of the sovereign debt so as to lower the punitive interest rates paid by some countries, Models for issuing ECB bonds and the consequences should be analysed in this connection. We call for the ECB to play a role as 'last resort' financier.
- ›3 Better burden-sharing in the revival of the European economy is needed between 'deficit' and 'surplus' (current accounts) countries (symmetric adjustment). This requires a revival of domestic demand, private and public, in particular in the surplus countries. It also means that Member States with low deficits should be allowed to use whatever budgetary space they have to relaunch their economies.
- ›4 Public investments must be exempted from the budgetary objectives of the Stability and Growth Pact.
- ›5 As the Commission has no competencies as regards wage formation, labour market policies or collective bargaining (Art.153 TEU), it should refrain from imposing recommendations on these issues. Also, as there is no legal basis for the measures that the Troika (ECB, IMF, and European Commission) is imposing on bail-out countries. These activities must cease and be replaced by a democratically-controlled coordination mechanism.
- ›6 Introduction of a social imbalances procedure: setting and respect of structural social indicators to ensure that economic governance is also about assessing (and addressing) the social impact of policies and about the necessity to maintain a well-functioning welfare state.
- ›7 Integration of social dialogue at all stages of economic governance (including the

conception of the system, the annual growth survey, the European Semester, the country-specific recommendations). Social partners must be given effective influence over decision-making on topics belonging to their areas of competence. This should lead to more balanced policies with more attention to trade union demands (e.g. elimination of precarious work).

- 18 Wage shares in value added tend to decline in the majority of countries while capital income shares increase. This calls for a strengthening and increased monitoring of the industrial All Europe Wage Coordination Rule to ensure that wage developments are in line with price and productivity increases.
- 19 Stronger coordination of social and employment policies, e.g. by means of the exchange of good practices, setting common objectives and undertaking joint actions. This could be achieved, for example, by initiating programmes for workplace innovation and benchmarking good practices of companies that improve their productivity and their innovative capabilities by using the talents of their staff and by collaborating with other companies and knowledge centres.

3 Develop collective bargaining, social dialogue and the social dimension of industrial policy

Industrial policy should have a strong social pillar as businesses and workplaces are subject to rapid change because of technological breakthroughs, globalisation, disintegration of supply chains and environmental transitions. Only through strong economic and social cohesion will the EU be able to develop sophisticated, high value added industrial activities. Industrial policy therefore needs to be complemented by social policies to accompany structural change. Change needs to be better anticipated and managed in order to avoid the negative effects of change on workers and employment. The social dimension and social dialogue offer a competitive advantage creating mutual trust, stability, security, adaptability, cooperation, a highly skilled workforce and innovative workplace practices in European industries.

Furthermore, efforts regarding training and reskilling should be increased and should aim at offering employees an equivalent job (in terms of remuneration,

added value and quality). If not, there is a huge risk of impoverishment not only of the workers concerned, but of society as a whole (because of the transfer of industrial workers to service sectors - like logistics, cleaning or tourism - with much lower salaries and lower added value).

The European social dialogue is a necessity for the effective deployment of industrial policies and the rebalancing of economies that still suffer from crisis and deindustrialisation in the EU periphery because of asymmetric shocks. Such a dimension is needed to legitimise policies aimed at social cohesion and the development of industrial structure that combine innovation in new sectors and activities with reindustrialisation.

Recommendations

- ›1 A stronger institutionalisation of corporate social responsibility must constitute a necessary counterweight to business strategies that are often only inspired by their quarterly results. This will underpin the long-term vision of enterprises and should take place through a fully-fledged social dialogue with employees and other stakeholders.
- ›2 There is a risk of major transitions failing without the involvement and commitment of the workers. Social dialogue should therefore go further than just discussing wage and working conditions. And the role of trade unions is not only to accompany restructuring processes but also to contribute to the development of future company strategies, employee driven innovation, the further development of workforce skills and the introduction of new organisational models. Therefore the ongoing dismantling of social dialogue and of the European social model should be stopped and workplace democratisation should be extended. A quality social dialogue with the ability to adopt binding agreements will also involve greater synergies between its different levels - interprofessional, sectoral and company - as well as better coordination between these levels.
- ›3 There is a need to promote labour market policies that provide employment protection, vocational training for all (including unskilled workers), job opportunities, affordable childcare and equal opportunities for everyone, whilst avoiding divides between insiders and outsiders on the labour market.
- ›4 Skills are a key driver for growth and jobs as they provide the foundations for innovation and value added. Socially acceptable management of change should ensure re-skilling and a socially fair transition for workers whose jobs are at risk as a consequence of industrial restructuring. Therefore industrial policy should contribute to a proactive, smooth transition from one job to another via:
 - a - Timely anticipation of employment and skills and finding solutions for emerging skill gaps and shortages. In this respect the Sectoral Skills Councils and the creation of sectoral training institutes should be encouraged*
 - b - An individual right to training for every single worker*
 - c - The promotion of lifelong learning*
 - d - A combination of 'Kurzarbeit' (short-time working) with further training*
 - e - Extension of the competences of the European Globalisation Fund in order to upgrade the skills of workers in sectors/supply chains that are suffering from off-shoring and international competition*
 - f - The setting up of transfer systems between education and industry: systems of dual education, and apprenticeships with high-quality standards for young people.*
- ›5 The gradual fading out of repetitive factory work should provide motivation to invest in social and workplace innovation focusing on competences, creativity, autonomy, innovative work organisation and decent, high-quality jobs.
- ›6 As workers' rights are under permanent attack because of the financial crisis and the European recommendations imposed on Member States, the fight against social dumping and precarious work needs to be intensified:

- a - Respect for the autonomy of the social partners*
- b - Equal pay for equal work for all workers at the same workplace*
- c - Fair remuneration and social security provisions for apprentices and trainees*
- d - Respect for collective agreements and enlargement of their coverage rates*
- e - No further dismantling of national labour legislation*
- f - Limitation of the share of flexible employment contracts like fixed-term work or temporary agency work to the absolute minimum.*
- g - Introduction of sufficient means of regulation concerning teleworking.*

- 17 The set-up of the integrated company and «value chain » approach creates varying degrees of dependency between subsidiary companies and the parent company and between subcontractors and the main contractor, sometimes involving a whole cascade of subcontractors. This economic structure can create vulnerability among the most dependent elements according to the level of cooperation between companies within the value chain. It also often leads to social inequalities in terms of how employees are treated depending on their employer’s position within the value chain. Collective bargaining must address these inequalities and encourage a high level of cooperation between actors within the same sector with a view to guaranteeing their stability.



4 Put the banking sector on a sounder footing to restore access to finance

Much has still to be done in order to bring the financial sector back to its basics: generating productive investments in the real economy from savings. Today, the financial sector is still very fragile and the financial crisis is still undermining access to finance. Euro-area banks have tightened their credit standards because of their risk perceptions and weak balance sheets. This has led to constrained lending volumes and high interest rates (in spite of the historically low ECB interest rate), especially for small and medium sized enterprises (SMEs),

which are most dependent on bank credit. Overcoming the credit crunch requires restoring trust and credit-worthiness in the European banking sector. Restoring a fully functional financial system is thus an urgent priority.

Recommendations

- ›1 Strengthening the robustness of the EU banking sector via Basel III and the European Stability Mechanism (ESM) while preventing stricter capital requirements from having a negative impact on investment loans.
- ›2 The rapid creation of a banking union is very much needed in order to avoid financial risks, break the lethal link between the twin exposure to bank debts and government debts, and end the implicit bail-out guarantee by governments.
- ›3 Creation of better functioning capital markets, including the availability of venture capital in all stages of the development of enterprises (access to risk capital for start-ups), the development of 'business angels' networks, public guarantees for productive investments, use of micro-credits to promote entrepreneurship and the creation of public or cooperative banks.
- ›4 Reinforcement/setting-up of (semi-) public investment funds to take over the initiative from a failing private banking sector. Governments should especially focus on areas such as market introduction of new innovations, sustainable technology, greening the economy, projects with a long payback period, modernising infrastructure (including the regeneration of industrial brownfields or the sustainable and coordinated development of industrial sites).
- ›5 Establishment of industrial public-private partnerships with public control and full transparency as a way to support industry and not as a way to privatise it.
- ›6 Introduction of a Financial Transaction Tax (FTT) that is as wide as possible - even global, as one of the tools to tame speculation and financial capitalism.
- ›7 Full separation between retail banking on the one hand and investment banking and proprietary trading on the other.
- ›8 The lack of transparency and accountability in the financial sector has had profoundly damaging effects. Rules have to be established to restore the basic functions of the banking sector: collecting and protecting savings, ensuring liquidity and providing credits for investments. Irresponsible behaviour in the financial sector has to be tackled by increased supervision, improved corporate governance rules, new management remuneration systems and eradication of the new surge of shadow banking (through a revival of short trading and the use of Special Purpose Vehicles for speculative activities).
- ›9 Supporting the creation of cooperatives and other mutual organisations by efficient and effective cooperation between the EU institutions and industry. Such structures should take stock of existing value chains between European companies of all sizes, promote the consolidation and enforcement of Europe's industrial fabric and build up solid foundations for future sustainability.
- ›10 Rooting out fiscal paradises.

5 Explore the synergies between industrial policy and environmental policy and create new green jobs

On the one hand, industrial policy will have to integrate the objectives of sustainable development, while on the other hand environmental policy should not just be reactive and only correct for the environmental consequences of economic growth. Placing sustainability centre stage suggests that environmental standards are no longer seen as an obstacle for a competitive manufacturing sector but as potential drivers of growth. Consequently, environmental challenges should be transposed into employment policy and economic opportunities, synergies between environmental, employment and industrial policy should be explored, and environmental regulation and technological development should become mutually reinforcing. In this way, the policy of sustainable development could be converted into industrial action plans and projects and the environmental loop closed (cradle-to-cradle principle).

The employment possibilities are huge. The European Commission estimates that renewable energy sectors could create 3 million jobs by 2020, while enhanced energy efficiency would lead to a further 2 million jobs. Moreover, increasing resource efficiency has the potential to generate 2.8 million additional jobs (in recycling and waste management).



Europe is already a front-runner in sustainable technologies and should benefit from the growing demand for eco-technologies and more sustainable products and services. Social sustainability in the whole production chain creates a more productive and innovative environment, which is imperative for creating a competitive industry, industriAll Europe - whose sectors are key in developing the systems, producing the equipment and enforcing technological breakthroughs for a more sustainable society and economy - therefore believes that investing in the transition to a sustainable economy can contribute to achieving the 20% objective (share of industry in total value added) set out in the European Commission's Communication on industrial policy of October 2011, while contributing at the same time to the employment objectives of the EU2020 strategy.

Recommendations

- 1 An international agreement on climate change in 2015 is absolutely necessary. In industriAll Europe's view, the argument that the EU represents only 11% of global greenhouse gas emissions (GHG) cannot be an excuse for doing nothing. We welcome global efforts to reduce emissions and urge governments and the European Commission to work actively to achieve a global and binding climate agreement.

- ›2 Develop the toolbox for a sustainable industrial policy. Focusing on life-cycle thinking and qualitative economic growth may no longer be seen as obstacles for a competitive manufacturing sector but as potential drivers of growth. Therefore, new industrial strategies for maintaining and sustainably upgrading Europe’s industrial infrastructure must be developed for all sectors of activity. A proactive and integrated industrial policy requires an enhanced set of instruments to meet the challenges of the low-carbon economy. The following are required:
- a - Broad policy frameworks and action programmes like the EU climate and energy package or the Resource-Efficiency roadmap and the associated structural changes*
 - b - Soft and hard regulation: legislation, agreements between producers, consumers and governments, and codes of conduct*
 - c - Instruments that internalise external costs: taxation and emissions pricing*
 - d - Dissemination of best available technologies for mitigation of GHG intensity: standards, norms and benchmarks which define and tackle industrial activities, complexities and developments within different sectors. Assessments from a sector perspective are necessary and should be reinforced by horizontal actions*
 - e - Policies and instruments that promote sustainable production and consumption: eco-labels, energy labels, innovation and promotion of eco-technologies, material efficiency, environmental management systems and promotion of life-cycle thinking.*
- ›3 While the EU is on track to meet its GHG reduction target for 2020, much more has to be done to meet the energy efficiency target. Aiming towards ambitious emission targets for 2030 and beyond should lead to the introduction of environmental norms in international trade, setting out a path for just transition while trying to avoid the negative impacts that asymmetric effects may have on different Member States.
- ›4 The EU climate change policy should be globally oriented to ensure that all industries worldwide continually upgrade their environmental performance and responsibility whilst maintaining international competitiveness and avoiding carbon leakage.
- ›5 Extension of the green and social procurement rules for public tenders.
- ›6 Extension of the scope of the Eco-design directive - which promotes life-cycle thinking and resource efficiency in the design of energy-related products - to non energy-related products.
- ›7 Tapping the large potential for improving waste management in the EU - over 75% of waste currently goes to landfills or incineration in many Member States - in order to reduce dependence on imports of raw materials (‘urban mining’) and create new jobs while reducing the environmental impact of waste. For turning waste into a resource, the 3R principle has to be respected: reduce, re-use and recycle. Additional policies have to be geared to eradicating landfills, supporting high-quality recycling, putting a stop to illegal waste shipments and developing markets for secondary raw materials.
- ›8 Increasing innovation to improve resource- and energy-efficiency is a necessity in the context of rising resource prices, scarcity and supply-insecurity. In this respect, Emissions Trading System (ETS) auctioning revenues should be used to support industrial branches undergoing transformation and fund research, development and innovation (RDI) in low-carbon technologies.

- ›9 Support for the company dimension of sustainable development. Enterprises are the core as regards a sustainable transformation of industry. Sustainable business models based on energy- and resource-efficiency, workers' involvement, innovation and long-term visions will enhance the resilience of European companies. A lot of instruments in support of this have been developed over the years. They deserve to be strengthened: environmental management systems, integrated product policy (an integrated product policy looks at all stages of the production process and seeks to reduce the environmental impact where this can be done most efficiently), targets set with governments to improve energy efficiency, and sustainability reports. Firms should also be encouraged to assume their social and environmental responsibility throughout the supply chain.
- ›10 Climate/energy/environmental regulation may not lead to economic degradation of particular Member States or regions. National economies differ and the specific conditions of individual Member States should be taken into account when designing EU policies.

6 Support the knowledge economy as the main driver of industrial policy

Knowledge is now the main source of added value. According to the Bloomberg Innovation Index, 6 of the 10 most innovative countries in the world are EU countries: Denmark, France, Finland, Austria, Germany and Sweden. This highlights the fact that the EU already possesses significant strengths when it comes to innovation. As the EU is not able to compete on cheap labour, energy or resources, investing in knowledge is an absolute necessity for the preservation of

any industrial activity. Innovation, R&D and training have become the cornerstones of industrial policy. In addition, the transition to a knowledge-driven sustainable growth model creates new opportunities for growth. Therefore our innovation policies need to be reinforced and focus on competence development, adaptive and learning organisations, new innovation infrastructure, dynamic standards, innovative procurement and knowledge diffusion.

Recommendations

- ›1 Hold onto the Barcelona objective of investing 3% of GDP in R&D. At the same time, the Barcelona objective should be complemented by more qualitative objectives: more efficient use of financial resources, a more effective European research system with less overlap and better coordination of efforts, creation of sufficient critical mass, etc.
- ›2 Develop a new, broader understanding of innovation that does not equate innovative ability with excellence in R&D alone. In Europe we need an increased awareness of innovation policies such as:

- a - the development of innovative clusters between large companies, SMEs, universities and research institutes*
- b - the equitable distribution of incomes from licences etc.*
- c - creation of effective systems of knowledge diffusion*
- d - strengthening the absorption capacity for innovation in firms (the ability of a company to translate external information into new innovative products or processes)*
- e - development of the non-technological aspects of innovation: new concepts for logistics or marketing, new business models, workplace innovation, business model innovation, product design and product quality*
- f - recognition of the importance of informal knowledge (the 'savoir faire' or the collective knowledge resulting in incremental innovations by workers on the shop floor) and development of strategies for preserving and transmitting the competencies of older workers*
- g - better coordination between the innovation system, the industrial fabric, the educational system and labour markets.*

- 13 Further development of large, long-term public-private partnerships for the development of new technologies, innovative networks or chains and markets (e.g. the European joint technology initiatives and public-private partnerships like the European Green Vehicle Initiative, Energy-efficient Buildings, the Fuel Cells and Hydrogen Initiative, Bio-based Industries, Electronic Components and Systems).



- 14 Regions should develop 'smart specialisation' strategies in research and innovation. These should permit regions to develop coherent policies to tackle societal challenges, strengthen research infrastructures and support their industrial and economic development.
- 15 The development and industrial deployment of KETs (Key Enabling Technologies) is highly necessary for mastering societal challenges, modernising Europe's industrial base and being at the forefront of technological developments. Indeed, key enabling technologies such as biotech (industrial, medical, agricultural), nano-electronics (the next generation semi-conductors), nano-materials (for use in touch screens, sensors, fuel cells, etc), advanced lightweight materials (carbon fibres, composites, flexible electronics, graphene for energy storage), and photonics (light technologies like lasers, LED, fibre optics), will play an important role in the transition towards a sustainable, knowledge-based economy and are key for ensuring the future of industrial activities in Europe. The above is conditional upon the right organisational forms being found for these KETs to deliver their potential, and upon worker involvement in their development, with adequate training provided in good time within an appropriate framework of social dialogue. Therefore industriAll Europe fully supports swift implementation of the "European Strategy for KETs - a bridge for growth and jobs".

- ›6 Better recognition of the strategic importance of dynamic standardisation to support the uptake and further development of new products and technologies.
- ›7 Clarification of a framework for responsible enforcement of industrial property rights which protects innovators but does not hollow out civil liberties.
- ›8 A stronger commitment to promote STEM (science, technology, engineering and mathematics) fields of education.

7 Reinforce the role of traditional industrial sectors

Manufacturing, and in particular high value added work, needs to be upheld throughout Europe. New technologies have also the potential to fuel innovation in the wide range of existing industrial structures. Many established sectors have already shown a high capacity to innovate (e.g. steel, non-ferrous metals, chemicals, cars, shipbuilding, etc.) and/or have comparative advantages which should

be fully exploited. It would therefore be wrong to concentrate policies only on new, high-tech activities. Policies aiming at the permanent reinforcement of innovation potential and their link with key industries must also be implemented at the same time. This is a process of gradual transition towards an innovative new industrial paradigm based on the existing industrial structures in Europe.

Recommendations

The innovative capability of established manufacturing activities and upgrading existing infrastructure should be supported by actions aiming at:

- ›1 Developing concepts of advanced manufacturing in sophisticated supply chains, with strong attention paid to competence development and modern work organisation, using advanced manufacturing technologies and offering tailor-made solutions instead of standardised mass products. They are based on modern industrial, technological and social infrastructures composed of intelligent networks, sustainable industrial sites and strong innovation systems, and are driven by the search for solutions for major societal challenges.
- ›2 Factories of the future must be built on the foundation and competencies of Europe's traditional and existing industries, e.g. solar cells from silicon production, offshore wind energy from offshore drilling for oil and gas, and from maritime engineering, advanced products from pulp and paper, third generation biofuels, nano materials from chemicals production. Without them sustainable production cannot be achieved. Large emissions reductions, efficiency and productivity gains can also be achieved by promoting industry clusters, e.g. reutilisation of waste energy from industrial processes and reuse of industrial waste for the production of biofuels.

- ▶3 Promoting the development of human-oriented manufacturing organisation, that stimulates employees to develop innovative behaviour, is open and adaptive, whilst at the same time supporting and increasing human safety, health and well-being. It should also have the capacity to cooperate in a supply chain and collaborate with knowledge institutions.
- ▶4 Integrating information technologies in the production process and business organisation.
- ▶5 Creating added value in the non-production stages of the supply chain: product design, engineering, logistics, marketing, software and after-sales services.
- ▶6 Producing in zero-emission and zero-waste factories with high energy and raw material efficiency and use of new (renewable) materials. Supporting R&D in order to develop substitutes for raw materials, thus improving the efficiency of their usage and encouraging recycling.
- ▶7 Developing product- and industry-related services. The EU should allocate a larger share of its financing of regional development to the improvement of transportation, telecommunications and energy infrastructure in the countries most severely hit by the crisis.



8 Maximise the societal and economic benefits of information technologies

Information and communication technologies (ICT) already account for 6% of GDP and are responsible for one-fifth of private R&D spending. Employment in the sector of ICT services is growing by an average of 3% per year and the sector accounts for one quarter of all private R&D. The European Commission expects a shortfall of 700,000 IT specialists by 2015. Technological developments in the sector are moving fast (with internet, social networks and cloud computing as the last mega trends) and the sector has a heavy impact on almost all other economic sectors. The ICT sector also contributes to improving the quality of life and the objectives of sustainable development: dematerialisation of production (information flows instead of material

flows or physical movements), improving the environment through eco-monitoring, reduction of energy consumption, better organisation of transport systems, easier access to public services through e-government and new breakthroughs in health care. Nevertheless, in comparison to the US, the EU specialises less in ICT sectors, lags behind in private ICT R&D investment and lacks leading innovators like Google, Apple or Amazon. Moreover, the EU is rather more specialised in traditional ICT sectors like telecoms rather than in the new sectors like Web 2.0, OLEDs, e-paper, RFID tags, semiconductor design, gaming or robotics.

Recommendations

- ›1 Implementation of the Commission's new 'digital agenda': creation of the single digital market, broadband, standard setting, etc.
- ›2 Leveraging the growth power of new ICT sectors.
- ›3 Building ICT eco-systems bringing together research, infrastructure, skills, risk capital, sophisticated SMEs and leading companies.
- ›4 Developing the use of electronics in tackling the societal challenges of today: improve digital literacy, eHealth, eGovernment, intelligent transport systems, smart grids, etc.
- ›5 Recreating the European electronics sector by developing a coordinated European strategy to reduce fragmentation and overlaps and by restoring the capability to design and manufacture electronic components (e.g. the European Electronics Strategy which aims to mobilise 100 billion Euros in investments and create 250,000 new direct jobs).
- ›6 Upgrading of skills, which is vital for the development of ICT, and urgently tackling the skills shortages in the sector.

9 Industrial policy must address the demand side

The EU is usually perceived as less effective at bringing the results of research to the market, while industrial policy has for too long neglected the demand side. Although research and innovation are essential, they do not suffice for a successful manufacturing industry. The list of examples of products and technologies that are developed in Europe but are produced elsewhere is impressive: electronic products such as semi-conductors, controller boards and

wireless cards, PCs, semiconductors, touch screens, robotics, interactive games, rechargeable batteries, mobile phones and other hand-held devices, LED, DVDs. In addition to R&D, it is important to create the necessary conditions for successful market introductions: regulations and standards that define the markets, provide security to producers and co-evolve with the technology.

Recommendations

- ›1 Strengthening public procurement (currently 18% of European GDP!) as a tool to launch innovative/ sustainable products and services and as a driver for the development of new high-end markets.
- ›2 Setting up 'Lead markets' that develop market-specific roadmaps and demand-side policy instruments in those cases where markets are not yet sufficiently 'ripe' for the absorption of new innovative products and services. By developing lead markets,

governments seek to create the conditions for successful market introduction of innovations including regulation, standardisation, campaigns and other supporting measures.

- 13 Investing in crossing the 'Valley of Death' between basic research and commercialisation, in which many innovations get stuck before they achieve marketability. This valley shows up as research funds are depleted and there is no more money to get through the last, expensive steps (initial production, prototypes, finding solutions for the last imperfections, proving that the technology actually works).

10 Strive for sustainable, affordable and secure energy

Energy policy and industrial policy are intricately linked and should complement each other in order to enforce the transition to a new phase in the development of industry paradigms based on sustainable and eco-efficient production.

With energy costs far outweighing labour costs in some sectors, EU energy policy must enable Europe to meet its climate obligations and to decouple economic growth from energy consumption, while at the same time trying to contain soaring energy bills. But producers of metals, cement, glass, chemicals and other basic materials cannot pass on high energy costs to end-users because prices are fixed internationally. As a result, producers in third countries where electricity prices are much lower than in the EU enjoy a competitive advantage. The situation for Europe's energy-intensive sectors has been aggravated by the shale gas boom in the US, the consequence of which is that today the price of electricity in the EU is twice as high as in the US and the price of gas is even three times higher. This is boosting US exports in energy-intensive products and supporting re-industrialisation in the US. This multi-faceted situation raises serious risks of relocation or carbon leakage leading to an ever-growing import dependency. So the challenge for energy policy is manifold: to try to maintain the competitiveness of the European economy, especially that of

the energy-intensive industries, ensure Europe's position at the cutting edge of energy technologies and deliver on our climate objectives. It should be clear that energy policy has become the Achilles' heel of Europe's industrial policy.

Cleaner forms of energy production will create new growth markets and lead to new, high-quality jobs in many sectors of the industry (as a result of the higher labour intensity of renewables or energy efficiency activities). This development needs to be underpinned by an active industrial policy aimed at maintaining and promoting European global leadership in climate technologies.

IndustriAll Europe is convinced that raising energy productivity (input of energy per unit of production) will contribute to the sustainability and competitiveness of industry, deliver first mover advantages to the European industry and create new jobs in the area of energy services.

For industriAll Europe, a comprehensive energy policy should nevertheless be based on long-term objectives that are both technologically and economically feasible and on a regulatory framework able to deliver on climate change commitments, affordable energy prices and security of supply.

Recommendations

- ›1 Competitive energy prices are of utmost importance to preserve the competitiveness of Europe's industry. As the energy markets remain highly concentrated in many Member States, a re-evaluation of the Commission's strategy on the liberalisation of energy markets is necessary. More transparency and an increased role for the public sector are needed to make the internal market for energy really work. A single energy market should not be created until energy infrastructures have reached comparative levels in terms of technology and capacity.
- ›2 The long-term supply of electricity should be secured by EU-wide capacity planning, the initiation of new major energy projects, investments to improve outdated energy infrastructure, deployment of smart grids (to integrate renewable energy in the supply chain), improved interconnection and further diversification of energy supply routes in order to secure and improve energy supply.
- ›3 Joint visions and objectives (such as the passive house, the clean car, the promotion of public transport systems or green metal production), integrated policy strategies (e.g. lead markets and green public procurement), regulations (on eco-design, energy-labelling) that should support the market introduction and acceptance for energy efficiency technologies.
- ›4 Investment in more and improved new energy technologies, and renewable energy sources in particular, should be a strategic priority for the EU (e.g. the implementation of the EU Strategic Energy Technology Plan). In this respect it will remain necessary to invest in bridge fuels and technologies, e.g. highly efficient state of the art combustion technologies to be used in the long transition period from fossil to renewable energy.
- ›5 The EU should push for an international agreement on emissions trading, which promotes a global carbon market with the broadest participation, in order to create a level-playing field between industries in the EU and elsewhere.
- ›6 Global sectoral agreements for reducing CO₂ emissions in energy-intensive sectors are highly desirable.
- ›7 The future of Europe's energy-intensive sectors, such as ferrous and non-ferrous metals, chemicals, paper and pulp or similar processes, should be preserved by addressing the issue of carbon leakage. There should be a review of the introduction of border adjustment mechanisms on the carbon content of imported products, using the revenues of the ETS auctions for R&D projects for low carbon technologies. Appropriate measures will be necessary until such cross-border mechanisms are effectively brought in, if we are to ensure that the energy-intensive industries in Europe have a future.
- ›8 Further development of policies for greening the workplace, the promotion of social dialogue on sustainable company policy and training of 'green reps' as instruments to support energy efficiency at company level.
- ›9 Energy poverty has to be addressed by the introduction of a universal right to a sufficient amount of energy.

11 Take education into account

Top-class education and research systems have created the basis for European success in global competition. At the same time, education has been one of the areas severely hit by austerity policies. Europe's strength lies in its workers, who manufacture products of high quality based on technological leadership. European companies can cope with global competition only by maintaining the high levels of competence of their employees and continuing to develop innovative solutions.

Their current competitive strength comes increasingly under pressure, however, as a result of continuously rising education levels in emerging economies. In the meantime, other economies are catching up. A highly-skilled labour force operating under good working conditions and vocational training opportunities providing constant upskilling to keep pace with technological development are therefore a prerequisite for meeting this challenge. Life-long learning will be key to a successful society in the future.

Recommendations

- ›1 In conjunction with top quality education, a new model for continuing studies parallel to working life should be developed in Europe. All groups of employees in all sectors should have the right to continuous updating of their competencies.
- ›2 Europe's ambition must be to achieve the highest rank in all levels of education.
- ›3 Cuts in expenditure on education and training made during the financial crisis should be revoked and Europe should return to its position as the top-ranking continent in terms of education and research.
- ›4 The EU's science policy should be harnessed to promote the creation of new jobs.
- ›5 Measures and systems should be created to recognise and acknowledge existing competences. This should also apply in terms of studying and moving into new professions.
- ›6 Industry and the trade unions should continuously discuss future needs and develop future skills and competences.
- ›7 National educational systems should, where appropriate, encourage and create incentives for young people to acquire skills demanded by industry whether this is to promote STEM (science, technology, engineering and math), vocational training, innovative skill, entrepreneurship, or other needs.

12 Make global trade work for workers

Decent work and decent pay for all workers is at the heart of industriAll Europe's priorities and should be the key priority of trade policy. Sheltering ourselves from international trade flows is not an option for industriAll Europe, but globalisation and international trade must be managed in a socially responsible manner. Globalisation should not be allowed to erode Europe's socio-economic model, cause distress to workers and increase worldwide inequalities. IndustriAll Europe is convinced that the multilateral rules-based system under the World Trade Organisation (WTO) is the most effective and legitimate means of managing and expanding trade relations. However, there is an urgent need to integrate the International Labour Organisation (ILO) into the WTO process and ensure a much bigger role for

sustainability issues within global trade so as to prevent social dumping. Multilateral regulatory solutions are most desirable as they offer some important advantages to bilateral trade agreements, such as globally comprehensive and transparent market access agreements, rule-making, transparency and dispute settlement. Following the limited progress in the Doha talks, and in order to safeguard the future of the multilateral trade system, industriAll Europe is of the opinion that a second best solution can be found by trying to make worthwhile multilateral agreements (e.g. on trade facilitation, on duty and quota free access to the world markets for the less developed countries) and by setting worldwide trade rules on smaller but more manageable issues (e.g. sectoral agreements).

Recommendations

- ›1 The establishment of a global regulatory framework creating the necessary socio-economic floor under the global economy to ensure that trade policy is fully supportive of social development, promoting trade not as a goal in itself but as part of a strategy for growth and prosperity in the developed and developing world.
- ›2 A sustainable and fair global trading system taking into account the needs of both developed and developing countries.
- ›3 It is important for Europe's industrial policy to take into account the differences between EU regions in terms of population density, geographical distances, natural resources and industrial traditions and allow individual Member States to implement tailor-made industrial policies.
- ›4 The inclusion of binding social and environmental clauses and standards in all free trade agreements, whether bilateral or multilateral. All bilateral agreements (such as the TTIP) should respect the ILO core labour standards and prevailing health and safety provisions. Inclusion of investor protection provisions that give multinational companies the right to sue states because of infringement of corporate affairs is unacceptable (as this would put private interests on a higher level than collective interests).
- ›5 Ensuring that workers subject to restructuring as a result of trade liberalisation are covered by anticipation policies and adequate support measures.

- ›6 The promotion of “inclusive” development strategies based on the stocking of social capital, technology transfer and an equitable distribution of the gains of economic growth in order to generate a virtuous growth circle which benefits workers and companies worldwide.
- ›7 Creating a fair, global, level playing field in international trade, in compliance with WTO as well as ILO rules, and guaranteeing reciprocity in trade relations.
- ›8 Enabling fair and secure access to raw materials by fair international trade that take into account the different needs of developed and developing countries, improving material efficiency, investing more in research and development of substitutes, and promoting recycling (technologies). Industrial companies in the EU are heavily dependent on third countries for the supply of raw materials. Many of them are of the utmost importance for a number of high-tech sectors (rare earths). Others are hard to substitute.
- ›9 IndustriAll Europe is concerned about the lack of transparency, the secrecy and the content of the negotiations in respect of a transatlantic agreement between the EU and the USA and calls for the involvement of parliaments and social partners in this process. Given the low level of trade barriers, the economic impact of such an agreement may be not be worth the accompanying risks with regard to labour rights, environmental protection, cultural rights and health and safety rules.

13 Get the institutional framework right

While there is a now a clear commitment from the Commission to protect and strengthen the industrial fabric of Europe and to tackle the deep labour market, technological, environmental and economic challenges with which industry is confronted, it is also true that there is room for improvement regarding the way industrial policy is conceived and implemented in order to restore the role of industry as an engine for added value and jobs.



Recommendations

- ›1 The new system of economic governance lacks democratic legitimacy because the European Parliament has only a minor role whilst national parliaments have almost nothing to say at all, and the way decisions are taken is not always transparent. Overcoming this democratic deficit will improve decision-making.
- ›2 A proactive and targeted approach of sectors and supply chains remains vitally important and should be extended to all key sectors. Tailor-made solutions are needed to address

the challenges of each sector. IndustriAll Europe fully supports the Commission's focus in the last Communication on industrial policy to support a number of priority action lines such as advanced manufacturing technologies, key enabling technologies, bio-based products, sustainable construction, clean vehicles and smart grids. However, sectoral industrial policies for other important sectors - such as steel, mechanical and electric engineering, shipbuilding, textiles and pharmaceuticals - should be continued and further developed. The more focused policy approach of initiatives such as LeaderShip, Cars21, Electra, or the Steel Action Plan has proved to be fruitful.

- ›3 There still exists a large gap between national and regional industrial policies and European industrial policy. Better coordination and more cooperation between the different levels of decision-making are greatly needed to enhance the impact of industrial policy.
- ›4 Industrial policy must proceed with the involvement of trade unions. Therefore, it is essential to replace the labour market deregulation model, collective bargaining erosion and attacks on workers' rights, such as wage and social devaluation, with a production model that is based on knowledge, innovation, added value and sustainable technology.
- ›5 Integration of employment and industrial policies in order to deal better with the social consequences of industrial change ("just transition").
- ›6 IndustriAll Europe is strongly opposed to the deregulatory approach followed by the Commission in its Communication "Refit - fit for growth", which aims to simplify legislation but is currently abused in order to attack social partner agreements, information and consultation rights, and health and safety protection.
- ›7 Structured involvement of the trade unions in decision-making and implementation processes is still insufficient and has to be improved. IndustriAll Europe will continue to support and promote workers' involvement in companies by maximising the opportunities provided by information/consultation and participation rights. The Recast EWC Directive and the European Company Statute provide an opportunity to ensure this objective is achieved, which must be fully utilised.
- ›8 Change at company level needs to be better anticipated and managed in order to ensure sustainable development and avoid the negative effects of change on workers and employment. IndustriAll Europe is of the opinion that measures must be taken, also at European level, to facilitate transition. In this connection, industriAll Europe advocates the establishment of a European framework for the anticipation and management of change that ensures socially responsible management of change and provides guarantees to enable workers to adapt to change. A participation role for the trade unions has to be guaranteed.





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