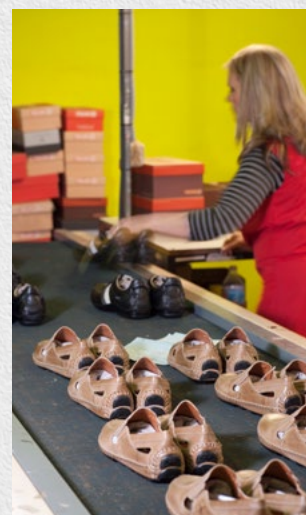


MANUFACTURING OUR FUTURE

**IndustriAll Europe's Vision
for the Future of European Industry**



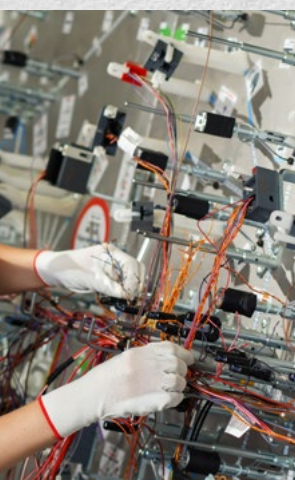
This document is a summary of our detailed Action Plan [\(link\)](#) which may be accessed on our website.

IndustriAll European Trade Union is a federation of independent and democratic trade unions representing manual and non-manual workers in the metal, chemical, energy, mining, textile, clothing and footwear sectors and related industries and activities.

We speak for around **7 million working men and women** united within **around 200 national trade union affiliates** in **38 European countries**.

We are a member of the European Trade Union Confederation (ETUC) and a partner of IndustriALL Global Union.

We act together with the aim of optimising our strengths to better protect and advance the rights of the workers in our industries and sectors.



For the 7 million workers that industriAll Europe represents, manufacturing is everyday life. It is their past, present and future jobs, their careers and ultimately their livelihoods.

Industry is a major contributor to wealth and job creation in Europe. **36 million jobs** are directly linked to European industry. Moreover, each job in industry creates at least one additional job in services.

Today, manufacturing and energy, together with the related services represent **25% of European GDP** and employment. They account for **65% of R&D investments** and **75% of exports**.

Following the outbreak of the financial crisis in 2007, industrial employment in Europe decreased by 10% (or 4 million full time jobs), but since 2013 more than 2 million new jobs have been created in manufacturing directly. This shows the strength and resilience of Europe's industry in a quickly changing industrial landscape.

European industry is currently at a crossroads which makes a European industrial policy more relevant than ever. Among the challenges ahead are processes of **globalisation, digitalisation, climate change** and an evolving political landscape. In discussions around EU Industry 2030, and in light of the upcoming local, regional, federal and most importantly European parliamentary elections 2019, industriAll Europe is taking this opportunity to outline its vision for the future of European industry.

In our view, any future industrial policy must be economically and socially sustainable and fair. It must take into account the changing world in which we live - environmentally, technologically and politically - and seek to address the challenges not only for businesses but also for society on the whole; for workers, their jobs and livelihoods. The future of work and the future of industry must be prepared for unprecedented challenges as we make our way towards the middle of the 21st Century and Industry 4.0.

Investing in a Long-Lasting Economic Recovery

- ✳ Promote internal demand by a rise in real wages in line with inflation and productivity increases
- ✳ Bring public investments, which have hit an all-time low, back to their historical average
- ✳ Encourage private investments
- ✳ Avoid harsh policies of 'internal devaluation' by further deepening of the EMU
- ✳ Shift the tax base from labour to the environment and wealth
- ✳ Establish rules that restore the basic functions of the financial sector: collecting savings and turning them into productive investments in the real economy





The Situation of Industrial Workers Today

10 years on from the start of the financial crisis, its scars run deep. **19 million people are still without a job** (compared to 26 million at the height of the crisis in 2013), while many of the new jobs are **temporary (20% of all jobs)** or part-time (14%). Unemployment remains unacceptably high in the south of Europe.

Structural imbalances were corrected by means of '*internal devaluation*', a nicer word for wage cuts and dismantling of collective bargaining, labour protection and social security systems. Income inequalities and the number of precarious jobs have increased as a result.

At the same time the transition rate towards permanent full-time jobs is low. Underemployment (involuntary part-time and 'discouraged' workers – people no longer available for the labour market) is still much higher than it was before the crisis.

The percentage of "**working poor**" (household income below 60% of the median income) has risen to almost 10%. Additionally, the labour market is becoming increasingly polarised resulting from the sharp decline of middle-skilled jobs, mainly in industry and construction.

IndustriAll Europe believes that it is now high time to **re-establish our European social model**, by reaffirming and reinforcing workers' rights, social dialogue and collective bargaining.

Empowering Workers Starts with Quality Jobs and Employment Security

- ✳ Standard full-time open-ended labour contracts accessible to all
- ✳ Reduction of the persisting wage gaps between the East and West and the North and South of Europe
- ✳ Implementation of the European Pillar of Social Rights
- ✳ Reinforcing labour legislation and collective bargaining structures and institutions
- ✳ Combating in-work poverty

It is also high time for a **new approach to wage policy**. The imperative that 'any job is better than no job' has to be replaced by the promise of 'more and better jobs'.

The European Pillar of Social Rights and its 20 Principles must be built upon by the new College of Commissioners and by the Members of the European Parliament from 2019 onwards. The European Union has the opportunity here to make a real difference in the lives of working people. At a time when Euroscepticism and extremist politics are rife, a Social Europe is one area where a strong case can be made not only for **more and better jobs**, but **more and better Europe**. The EPSR needs to be rapidly translated into concrete actions so that all EU citizens can enjoy these new rights.

Skilled, committed and loyal workers are not a cost but an asset, and key drivers for economic performance. An innovative, knowledge-based economy cannot be built from a de-skilled, low-paid and precarious workforce. Ensuring that workers are and remain equipped with the skills that are relevant for their employability and job security in a labour market which is undergoing major transformations is a top priority in a fast-changing industry.

Skills are an important catalyst for innovation and creation of 'value added'. A world-class industry relies heavily on a qualified workforce at all levels of skill, knowledge and competency. Building a learning society is therefore a basic condition for building an innovative economy.

Currently, 70 million adult Europeans lack adequate training and writing skills, while 169 million do not have basic digital and numeracy skills. At the same time, we are confronted with striking skills mismatches in many sectors. It is high time to increase investments in quality education, training and professional development throughout working lives.

Boosting Skills

- ✳ Step up skills intelligence on the basis of social dialogue
- ✳ Grant equal access to training for all thanks to an individual right to training
- ✳ Create a culture of lifelong learning and promote work-based learning
- ✳ Invest in 'older' workers re- and upskilling
- ✳ Promote the integration of soft, digital and STEM (sciences, technology, engineering and mathematics) skills at all levels of education and training



European Industry's Place in the World

For European industry to remain competitive globally, ambitious industrial policies are needed. What is more, Europe's industry must remain a frontrunner in delivering solutions for the many societal problems we are confronted with: mobility, an ageing society, sustainable energy, global warming, digitalisation. To support industry in tackling all these challenges, an orchestrated and holistic approach at European level is badly needed. National industrial policies alone cannot live up to these challenges. Industrial policy is without a doubt one of the areas where **"more Europe can make a positive difference"**.

The guiding lines for a European industrial policy and the necessary transitions must be based on **quality products**, which have **long life** durability, are **recyclable**, limit environmental impact, are safe to use, meet the **highest cyber-security standards**, are **competitive** etc. **Quality products go together with quality production processes and quality jobs.**

In addition, **fairness** should be a cornerstone of a European industrial policy embodied in adequate competition rules for companies and among national economies, fair taxation and fair distribution of value added between labour and capital and along value chains.

Companies have to Invest in Jobs, not in Tax Havens

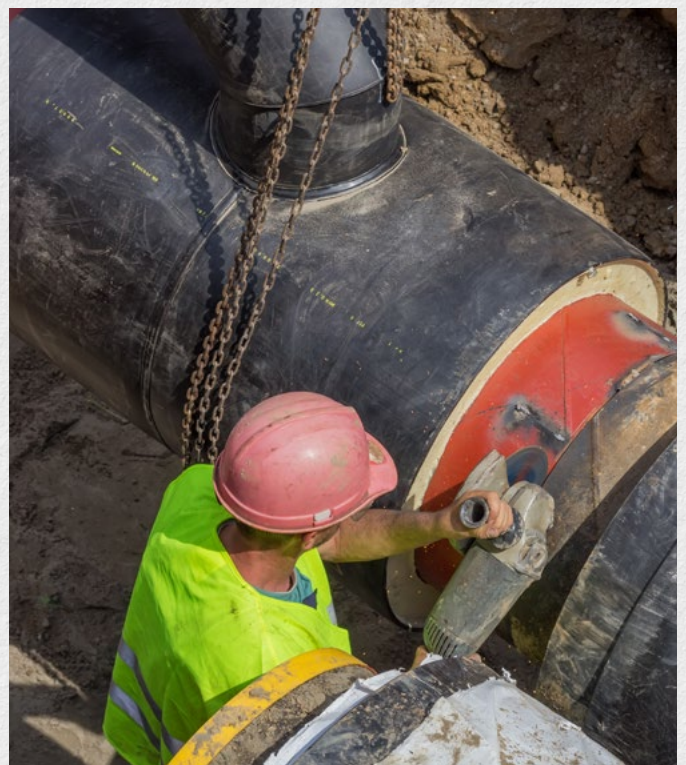
- ✚ Introduce a mandatory Common Consolidated Corporate Tax Base and implementation of country-by-country reporting
- ✚ All artificial tax arrangements that are not based on real economic situations should be negated and taxed appropriately
- ✚ Step up efforts to close all tax loopholes, tax havens and special deals inside and outside the EU and promote automatic information exchange as a global standard
- ✚ Create an EU Tax Authority
- ✚ Promote fair models of taxation of the digital economy

IndustriAll Europe believes that the European Union cannot passively accept the decline or stagnation of European manufacturing activities and jobs. Europe was at the bedrock of the first and second industrial revolutions. It should remain at the forefront during the current low-carbon and digital revolutions.

Our vision for the Future of Industry aims to show how the principles of **quality** and **fairness** can contribute to a **strong and world-leading European industry**. This document attempts to highlight the opportunities for creating added value and jobs in a modernised industry, built on digital and low-carbon technologies. It also aims to prepare workers, sectors and regions for the structural changes they will have to face in the future.

Workers' involvement from shop floor to strategic decision-making is a key condition for a successful journey towards a sustainable, knowledge-based, resource-efficient and high-performance industry. **Industrial renewal and a thriving industry are only possible on the basis of quality jobs and committed workers.** The benefits of progress must be fairly distributed among all those working on the road towards a new industrial future for the European Union.

We are convinced that our sophisticated social model creates the right framework conditions for a successful industrial transformation, capable of stopping the erosion of manufacturing and of creating new and decent jobs that will form the foundation for a strong, competitive European industry at the global level.



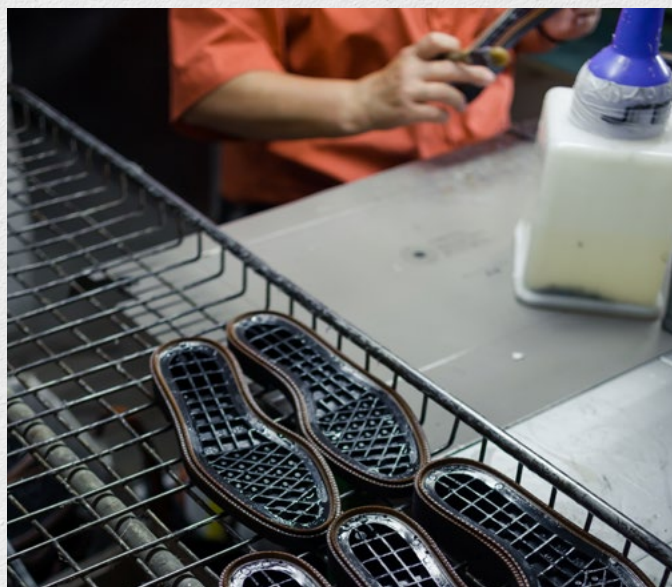
Fair Globalisation, Fair Trade, Fair Taxation

Large sections of European industry have been impacted by **globalisation** and are currently heavily dependent on exports and on being part of complex cross-border value chains in an increasingly globalised market. Trade agreements have therefore become important tools to regulate and safeguard fair trade for European industry and related services. Globalisation has also led to fundamental and rapid changes on the global market for goods, capital and labour. One example is the appearance of new 'big players' like China and India in the East, while at the same time looking West we face the steady rise of 'America First' policies. These very fundamental changes in the global world call for **European rather than national strategies and responses**.

Trade policy should not only create business for multinational companies but above all also benefit ordinary people. **Trade policy should ensure that the imported goods we consume are made by people who are not exploited, who receive fair compensation, who work in safe environments and who are employed by companies that respect global codes of conduct.**

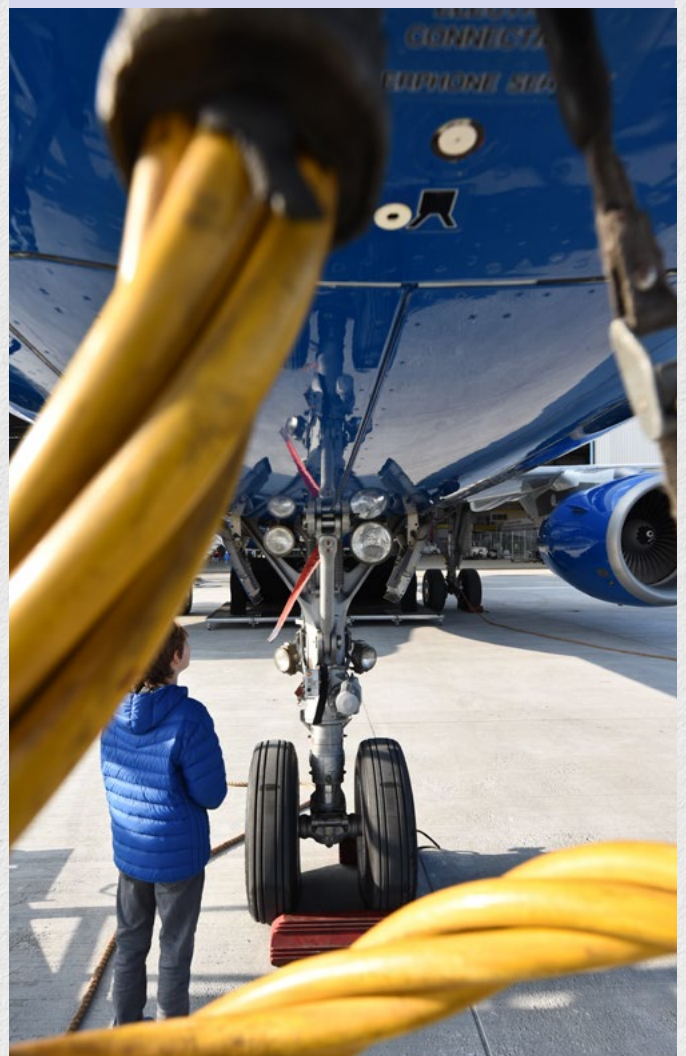
IndustriAll Europe considers **fair corporate taxation** to be a cornerstone of our European social model. Fair burden-sharing amongst taxpayers and fair competition between companies must not be undermined by tax dodging. Internal tax competition between governments to entice foreign direct investment must be addressed urgently as it leads to a race to the bottom regarding effective tax rates and thus tax revenues and public services. IndustriAll Europe calls for fair globalisation, fair trade and fair taxation for all.

People, not profits, should be the bottom line of any common European trade or taxation policy.



Trade Must be Fair to Benefit the Many

- ✳ Avoid trade wars by reinvigorating multilateralism
- ✳ Improve the democratic legitimacy of trade agreements by full transparency and stakeholder involvement, and by the preservation of the right to regulate for governments
- ✳ Complement trade deals with enforceable chapters on sustainable development and labour rights
- ✳ Promote fair trade by means of effective trade defence instruments and reciprocity in market access (investments, public procurement)
- ✳ Promotion of good governance on a global scale by tackling corruption, illicit trade and counterfeiting and by developing legal frameworks for corporate accountability throughout the value chain



A Just Transition to tackle Climate Change

Climate change and the widespread societal will to move towards a more sustainable and low carbon economy is a condition that our industries must adhere to for the good of our planet and our people.

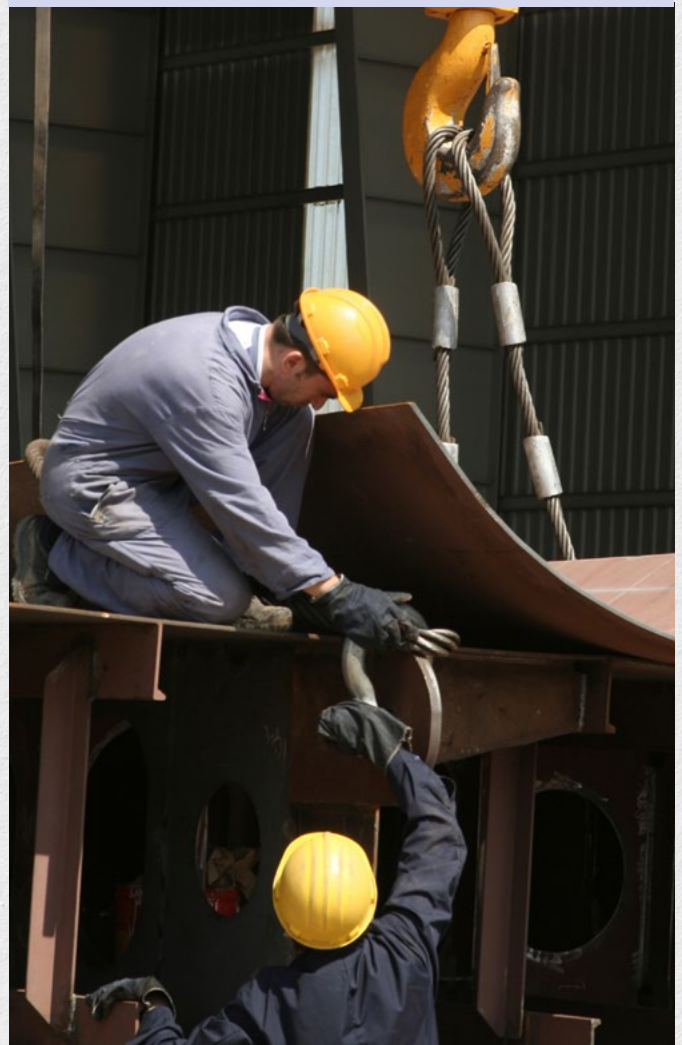
The transition to a more **circular economy** will be key for developing a sustainable and resource-efficient industry and the same goes for the whole mobility industry because of the demand for reductions in carbon emissions.

Tomorrow's industry will use highly energy- and material-efficient processes, employ renewable and re-cycled/re-used materials, and adopt increasingly sustainable business models. **During the past decade of recession more than one million jobs were created in the "green" economy** and it is our view that industry can make substantial gains in energy- and material-saving while the circular economy creates domestic jobs that cannot be relocated.

Notwithstanding this, the **low carbon economy** will lead to major changes in most existing industrial sectors. Some traditional industries/sectors may be able to develop new business opportunities while others may experience a need for painful restructuring and transformation.

Make Industry an Engine for Sustainable Development.

- ✳ Explore the synergies between economic and sustainable development by further developing the toolbox for a sustainable industrial policy
- ✳ Create an industrialised circular economy that goes beyond recycling and instead focuses on long life, repair, re-use and re-manufacturing
- ✳ Ambitious climate policies should be accompanied by ambitious policies to avoid 'carbon leakage': relocation of activities to non-EU countries that do not have the same environmental ambitions
- ✳ Strong support for the 'deep decarbonisation' of Europe's energy-intensive industries and for the development of viable methods to capture and reuse carbon



The transition to a clean energy system will have an impact on some regions relying on fossil fuels and old energy and industry infrastructure. It is of major concern to us to highlight the regional dimension of the problem and insist on jobs being created where they disappear.

A Just Energy Transition

- ✚ Energy should be secure, sustainable and sufficient, accessible to citizens and companies at a predictable and affordable price
- ✚ Decarbonising our economy will require massive investments in the generation and distribution of (renewable) energy
- ✚ Support for new breakthrough technologies regarding energy-efficiency and energy storage
- ✚ Guarantee that the transition to a low-carbon economy is a “just transition” by ensuring re-deployment of workers and social protection.
- ✚ An industrial policy that has the ambition to maintain, create or re-establish the industrial value chains for energy goods and thus ensures future jobs and growth



Moving towards 'Industry 2030' in a socially responsible way

Industrial policy should take the lead in providing solutions for societal challenges and provide direction towards new paradigms which do not come about spontaneously from market forces (The internet, GPS and a decarbonised economy are all outcomes of public policy!).

Innovation by Everyone, for Everyone

- ✳ Keep the EU at the cutting edge of technological development
- ✳ Substantially increase investment in industrial research, development and innovation in support of societal objectives
- ✳ Promote worker participation as a key enabler for an innovation-enhancing company culture
- ✳ Create trans-European innovation ecosystems to avoid fragmentation
- ✳ Ensure that the first industrial application of subsidised research is set up inside the EU

Digitalisation has triggered a new industrial revolution in almost all industrial sectors. Digitalisation of both production processes and final products is overhauling the way we develop, design and manufacture our products, how we trade and how we organise work and our workplaces. In the view of industriAll Europe, the digitalisation of European industry cannot, and should not, be stopped. Instead, strategies must be put in place to make the move towards Industry 4.0 socially sustainable. However, many jobs are at risk of being replaced by digital technologies. These threatened jobs are mostly those typical of industry, including white-collar jobs.

Digitalisation concentrates power and wealth in those companies controlling the platforms, the software or the data. It also challenges the foundations of the permanent, full-time employment relationship based on collective agreements, because all functions of this relationship (including the control of the task) can be performed individually, automatically and remotely.

Digitalising Industry as a Process of Shared Progress

- ✳ Exploit the potential of digital technologies to solve "grand societal challenges"
- ✳ Restore a leading industrial position in electronic components and invest in the development of new ICT-sectors like Big Data Analytics, Artificial Intelligence, Advanced Manufacturing
- ✳ Invest in digital infrastructure in all regions and Member States
- ✳ Anticipate and manage the possible negative impact on the quality and quantity of jobs
- ✳ Avoid the emergence of a new informal economy by regulating the gig-economy and prevent the creation of digital monopolies
- ✳ Promote digital skills at all professional levels

The quest for a low-carbon economy, digitalisation and globalisation will massively change the world of work. These disruptive trends will impact the number of jobs, the quality of employment, the skills needed, industrial relations and social security systems.

The employment impact of structural change must be properly addressed. Dealing with structural change is challenging as in many cases, new employment will be created at another time, in another place and for other skill profiles than those jobs that will become obsolete. **Mass redundancies and the decline of regions must be avoided at all costs.**

A socially sustainable and responsible approach to anticipating, planning and managing change and restructuring would require a drastic change of course away from company strategies based on maximising profits in the short-term and towards long-term strategies based on worker participation, a vision on the long-term future of the company and integration of long-term economic and societal challenges that is based on high added-value industrial activities.

Don't Stop Change: Anticipate It!

- ✿ Reinforce social dialogue at all levels (company, sector, regional and national)
- ✿ Promote democracy at the workplace by strengthening information, consultation and participation rights
- ✿ Organise a smooth transition from one job to another and develop European minimum standards for avoiding redundancies
- ✿ Promote ambitious regional development programmes for regions adversely affected by structural disruptions

IndustriAll Europe believes that the European Union, its political leaders and policy makers, should take a two-pronged approach to any future industrial strategy. Sustainability and fairness should be the foundation upon which strategies are developed, considering in particular sector-specific policies and a regional approach.

Sectoral industrial policies are important to maintain industrial diversity and a broad industrial base inside the EU. IndustriAll Europe supports targeted action plans for all sectors/supply chains of strategic interest or confronted with structural change.

Industrial policy has an important regional dimension. Europe's industrial development shows severe imbalances, which also reflect the strong agglomeration features of industrial activity. Wages to working conditions, even the chances of finding work at all, vary significantly across the European Union. Regional divisions are not limited to North-South and East-West but there are striking contrasts to be found between the conditions experienced by workers, sometimes in the same company, in Germany or Greece, Bulgaria or Belgium.

We are at a pivotal moment, not only for workers but for society as a whole. IndustriAll European Trade Union believes that the future of European industrial policy should combine the challenge of Europe remaining a thriving industrial region in the world together with improving both quality of life and quality of work.

An Industrial Policy in Support of Sectors and Regions

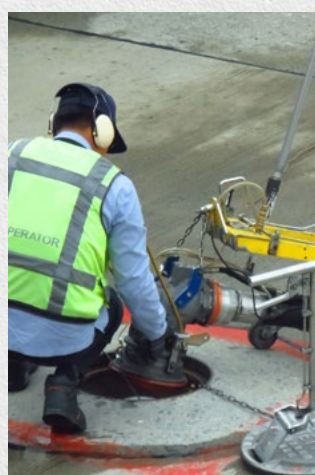
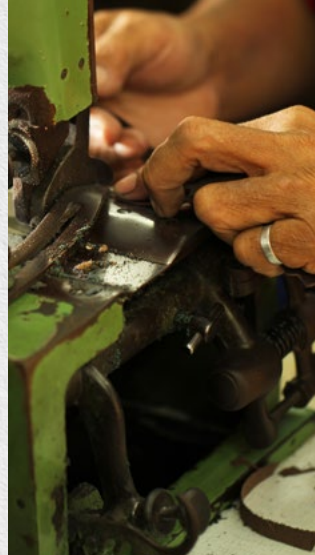
- ✿ Targeted action plans for all sectors and supply chains of strategic interest
- ✿ Fully unlock the potential of regions for industrial modernisation, strengthening of innovation systems, promoting diffusion and absorption of new technologies
- ✿ Special attention for the less developed and industrial transition regions
- ✿ Fully exploit public procurement (14% of GDP) as a lever for industrial policy by integrating innovative, green and social criteria in public tenders
- ✿ Increased ownership of Europe's industrial policy by member states and regions

The future of industry is crucial for a prosperous Europe and we are working on behalf of our members for a future that benefits industry and workers and keeps jobs in Europe.

The EU needs a strong and ambitious Industrial Policy that benefits industry, workers and the whole of society. The future industrial strategy of the EU must have the social dimension (values, society, people and employees) at its core. **Nobody can be left behind in this transition and in the design of European industry towards 2030 and beyond.**

Manufacturing is our future. Workers are at the heart of the European manufacturing industry and no future strategy can be made without the valuable contribution of those workers.

Through this document, and our more-detailed Action Programme [\(link\)](#), IndustriAll Europe, on behalf of its 7 million members, aims to *manufacture* a fair and sustainable future for European industry and its workers.



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