

**Speech by Peter Scherrer, EMF General Secretary
Commission Industrial Competitiveness Conference
Brussels, 17th March 2009**

I was asked to answer 4 questions in 5 minutes, which only gives me 75 seconds per answer, but I will do my best with this limited time.

First question: To what extent is globalization both an opportunity and a threat to European jobs?

- a) Globalisation means a world in which trade is free and fast and markets are constantly conquered and freely accessible. Globalisation becomes a serious problem when there is not a level playing field. Different standards in different regions of the world lead to distortion of rules. Thus minimum standards in respect of social and labour rights are needed in particular. Globalisation needs clear rules. It needs rules that all nations participating in the global economy have to follow. Globalisation means a threat to European jobs when we Europeans follow the rules and some global players play foul. A strong and binding enforcement of rules is needed.

- b) Globalisation is an opportunity for European jobs because this means new markets for European products. Different regions in the world imply a variety of challenges for intelligent products. Globalisation can contribute to the development of technologically advanced products in particular in the field of „green products“, for example in the production of energy, waste management and environmental protection. But when producing intelligent products which are competitive on the global market it is not just a European focus that is needed but a broader view. Globalisation helps to develop such products and thus helps to safeguard and create new jobs in Europe.

Second question: Is there a risk of de-industrialisation?

The answer is: Yes, but we can avoid this risk by clever investment. Investment in people!

Europe will remain a market with considerable consumer power. This market has to be served. We do have a rich industrial history and we do have good preconditions for the continuation of industrial production in Europe. Products and consequently production methods and processes will constantly change. We have to invest in the training of engineers, researchers and scientists to develop new intelligent products. And at the same time we have to invest in efficient production methods. We have to stay competitive. We have to offer the world market clever and intelligent products. This guarantees jobs. Employment is certainly changing with regards to conditions and products, but industrial production will remain when we are better. We in Europe have limits as regards being cheaper than the others, but we can always be better. That is up to us. We have to take the Lisbon strategy very seriously. By saying WE I address this remark in particular to the EU Member States. There is a great deal to do. There is a clear need for more and substantial investment in the

“brain-side” of society. There is a need for investment in R&D and qualifications and education. The image of industrialisation will change but industry will not vanish from Europe if we invest in people.

Third question: How can European policy contribute to managing the adjustment pressure on workers?

What is most important is to actually HAVE a European policy in respect of that pressure. The EU Member States have to give the EU institutions the competence to manage industrial change. National solutions for European or global companies not only lead to distortion of the market, but create a downward spiralling as regards competition for jobs. The EU Member States have to commit themselves to binding action at European level. It is essential that financial assistance for industrial sectors, and even more so for individual multinationals, be co-ordinated at European level. There must be a clear NO to national protectionism.

Fourth question: What should be the role of the EU, national governments and the social partners in these times?

This is a huge question for just 75 seconds. The role of the EU is to safeguard the project „Europe“. The EU must make sure that we do find a European and joint answer to problems which affect all of the Members States albeit to a different extent. But the answer can only be a European one. This is more than obvious. National governments have to forget about forthcoming elections and have to work on a long-term view for creating an environment for a sustainable industrial policy and consequently industrial production in Europe. The social partners have to work more closely together than ever before. A proper and effective social dialogue is needed more than ever. The EU provides grounds for such social dialogue, but unfortunately the employers do make use of this tool. This is clearly a missed opportunity. In many of the sub-sectors of the metal industries we do not have any social dialogue at all. The most prominent example of this is the automotive industry.

“What we want to do is master the challenges of the future. The workers, together with their representatives at shop floor level and the trade unions, must take part in policy and the decision-making process in companies. Only on this basis can acceptance of and pro-active support for change become a reality. If not, massive social conflicts are unavoidable. It is up to all of us to decide what course we take.”

Thank you for your attention.