

Industrial workers' vision for a European industrial policy agenda

Europe must guard its ambition to maintain and strengthen its industrial base. To do this an ambitious, comprehensive and sustainable European industrial policy is needed. Industry remains vitally important for a successful European economy to create jobs, to boost productivity, to fuel innovation and to raise social standards. Industrial policy must try to anticipate and manage change in a socially responsible way, with adequate financial and regulatory tools. Only a strong and effective social Europe can revive citizens' enthusiasm for the European ideal. Social Europe cannot exist without strong national trade unions, with strong employers' organisations as counterparts, and fully developed collective bargaining rights.

Restructuring has been taking place in a virtual social vacuum at EU level for too long. While social Europe has stalled, we have witnessed the liberalisation of labour markets, the greater introduction of both precarious employment and economic flexibility, and changes in our welfare states which promote greater wealth inequality - especially in relation to unemployment policies and pensions. Wages and labour costs have been targeted undermining purchasing power and consumer demand. Meanwhile skills gaps have grown, investment has fallen, and our global industrial performance has been called into question.

Now is the time for European politicians to stand up and actively pledge their commitment to fight for the creation and maintenance of good quality jobs in European manufacturing. Policy-makers should focus on the real economy. We urgently need coordinated and sustainable social, economic and industrial policies to ensure public confidence in the economy and stimulate economic demand, protecting jobs in the real economy.

Economic and industrial policy should be directed towards developing a new model of growth based on innovation, sustainable technologies, energy- and resource-efficient production and the internalisation of ecological costs, in order to fulfil new societal needs raised among other factors by an ageing society and increased health and social care needs.

To achieve this, the European Metalworkers' Federation (EMF), European Mining, Chemical and Energy workers' Federation (EMCEF), and the European Trade Union Federation for Textile, Clothing and Leather workers (ETUF:TCL), demand that 6 principles underpin the Europe 2020 strategy and the forthcoming 'Industrial policy for an era of globalisation' flagship initiative:

1. Europe needs a strong manufacturing base. Industry cannot flourish without a **solid social Europe** providing high quality jobs, education systems, and a strong domestic demand. A strong social dimension to industrial policies is needed to ensure social cohesion and tackle the social instability caused by the economic crisis. This must be integrated into the EU agenda, including new rights at work to ensure the socially responsible anticipation and management of change, credible life-long learning, active labour market policies including all categories of worker regardless of contract, and the promotion of social and economic security. With the growth of anti-European forces and right-wing extremism across the Continent, manufacturing workers are highly conscious of the real dangers posed by nationalism and xenophobic popularism.
2. Macroeconomic policies must be linked to industrial policies to support high quality industrial job creation and maintenance. Inflation-busting and wage moderation cannot be the basis of European integration. **Growth-oriented** monetary, fiscal and budgetary policies must be promoted by EU policymakers and central bankers. EU harmonisation

of company taxation should be promoted as a tool to avoid fiscal dumping in the EU, alongside action against tax havens and tax evasion.

3. **Investment** in European manufacturing must be addressed. Reregulation of the financial markets is urgently needed to ensure that banks return to their fundamental role of providing capital for productive activities rather than creating their own wealth at the expense of the real economy. A financial transaction tax must be put in place as part of this reregulation at global and European levels. Accounting standards (through the Basel regulations) must ensure access to credit for industrial companies, particularly SMEs. Existing European structural and regional funds should be reoriented to ensure job creation and industrial policy objectives. Industrial and regional policies should encourage the creation of venture capital funds supporting employment creation. Public-private partnerships in R&D and innovation should ensure private sector commitment to the 3% GDP target on R&D spending while social and ecological criteria for public procurement should be adopted to ensure demand for new products. Market mechanisms and risk allocation should be rebalanced to ensure that long-term investment policies are more advantageous than squeezing short-term shareholder returns.
4. **Sustainable development** and a fair transformation should ensure the development of new industrial strategies and the maintenance and sustainable upgrading of Europe's industrial infrastructure, focusing on the transformation of all industries. European binding standards on energy efficiency and incentives for improved performance must be combined to create a virtuous circle. At Cancun (UNFCCC COP16), the EU must again demand a binding and comprehensive international agreement on the reduction of greenhouse gases (GHG) guaranteeing a just transition towards a low-carbon economy. Climate change policy must ensure that industry globally continually upgrades its environmental performance and responsibility, whilst maintaining international competitiveness (including, measures against carbon leakage such as border adjustment mechanisms). In the absence of such conditions, the European Union should review its proposal to unilaterally increase its own emissions reductions target from -20% to -30%.
5. Sustainable development of European industry demands an effective European **energy policy** promoting a smart grid for European electricity and gas production and transmission to ensure a sustainable energy mix guaranteeing security of supply and affordability for industry and household consumption. This demands a re-evaluation of the Commission's strategy on the liberalisation of energy markets, an increased role for European and national public authorities in energy markets, through a European Energy Agency, and national planning and the initiation of new major energy production projects to ensure long term supply of electricity as well as investment in improved energy technologies.
6. International trade policies must work for workers. Promoting trade cannot be a goal in itself but must be part of a strategy for growth and prosperity in the developed and developing world. A **fair level-playing field** must guarantee the respect of the ILO's core labour rights and environmental standards, and the use of trade defence measures. The EU must ensure that workers subject to restructuring as a result of trade liberalisation are covered by strong anticipation policies and adequate support measures at all levels.

Worker involvement and participation in industrial policy-making is of elemental importance at all levels: EU, national, regional, local and sectoral. Europe needs more than joint projects for the future. It needs projects which people can become involved in, committed to and be inspired by. Worker participation should be a cornerstone of European industrial policy in the coming years.

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