

S&D POSITION PAPER

AN INDUSTRIAL POLICY FOR A GLOBALISED ERA



Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament



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For the S&D Group, Industry plays a central role for sustainable growth and good jobs in Europe. Our efforts will be focused to renew and strengthen the EU's industrial base, so that jobs in Europe are fit for the future.

A snapshot of Industry in Europe

EU industry accounts for roughly a third of gross added value in the EU, with almost 75% of European exports being made up of industrial goods. It represents a third of employment, provides a living for some 57 million people and accounts for 80% of R&D spending. If its multiplying effect is accounted for (each job in industry creates approximately two extra jobs in related services), then its impact on employment is even more substantial.

End of market dreams - rediscovery of Industrial policy

A profound economic crisis has hit European industry. But the crisis has also exposed industry's importance to the EU economy and it has become evident that not enough has been done to comprehensively address its needs in the current challenging climate. Industry was too often relegated to second place behind the services and financial sectors. EU Industrial policy remained too often focused on the misguided idea that markets should regulate themselves and this has so far been primarily carried out through individual measures with hardly any coordination among Member States. It was largely a reaction to a changing context and rarely an action based upon advanced analysis. And often the only answer was to drive down the costs of labour – As Socialists we say: this is not the way forward for industry in Europe.

Moreover there are major societal challenges facing our society, namely:

- the current demographic changes: an ageing society, migration, urbanisation;
- a transition to sustainable resource management: climate change, renewable energy, water scarcity, efforts to secure and find alternatives to critical raw materials;
- a stable and equitable economic base: achieving economic recovery, harnessing a knowledge-based society, boosting the EU's competitiveness

The Europe 2020 Strategy and the Commission's Communication on an Integrated EU Industrial Policy for the first time now acknowledge the importance of a thriving industrial base, and in particular manufacturing, for sustainable growth and employment in Europe and the need for a fresh approach. **This is a step in the right direction, but it is not sufficient.**



For the S&D Group the main objective is to put industry back at the centre of politics and to promote an active industrial policy for 'offensive' job-creation and full employment as a central plank in order to strengthen European competitiveness.

But a successful industrial policy has to be embedded in both:

- a new architecture of the financial sector that promotes investment and prevents or limits speculation

and

- a distinctive macroeconomic policy that focuses fiscal, economic and budgetary policies in the EU on achieving sustainable growth and employment without fiscal dumping (e.g. harmonisation of corporate tax).

The failure of the financial markets to self-regulate must lead to a comprehensive new regulatory framework able to bring the financial system back to its essence: turning savings into productive investments, especially for industry and SMEs.

A general policy of support for investment in industry and services should be the EU's macro-economic priority, particularly at a time of crisis, such as now, when investment is the first type of expenditure to be cut; the Member States, the EU and regional and local authorities should set themselves public investment targets (i.e. what proportion of total public spending should be taken up by investment), as a key part of any austerity plan.

Structural changes to national and international financial and fiscal systems are necessary, including shifting the burden of taxation from labour to resources and the internalisation of external costs. In the framework of the on-going discussions on the revision of the Lisbon Treaty, the Commission and the Member States must ensure that employment is placed on the same footing as fighting inflation. We need ambitious funding for industrial policy and for infrastructure facilities (in particular research and energy, telecommunications and transport (TEN) infrastructure) – the 'public utilities' that make up the corporate environment.

To this end, the S&D Group defends the need to set up Project-bonds with a view to enabling the Union to fund innovation, infrastructure and re-industrialisation.

The ongoing challenges

The EU's Industry was already undergoing a process of restructuring before the onset of the current economic crisis. As it stands, it faces a range of mutually reinforcing challenges:



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- a) EU industry has been deeply affected by the accelerating changes in the development of the global economy. The boundaries between developed and developing countries and their traditional dominant sectors are changing daily through intensifying competition. Demands in the global market are rapidly evolving offering new opportunities to European industry while at the same time requiring business re-orientation, restructuring and re-specialisation. The new international division of labour with fast-growing economies like China, India, Brazil and Russia increases the pressure of globalisation. European industry's global leadership is increasingly being challenged by the expanding industrial base in emerging countries;
- b) A new form of globalisation is taking place with the progression to a global knowledge-based society where innovation and research outweigh manpower and manual labour as the driving force for growth and competitiveness;
- c) Climate change is irreversible and non-negotiable and needs to be addressed through mitigation and adaptation measures in all relevant sectors of the economy. To deal with the global need to alleviate climate change and safeguard biodiversity, while at the same time coping with the depletion of raw materials but with increasing demand, industry needs to move towards a carbon-free and resource-efficient production;
- d) Demographic shifts are profoundly changing the profile of both consumers and providers. The continuous rise in life expectancy requires new products, forms of transport and a reorganisation of labour. There will be a lack of qualified labour;
- e) The rapid process of urbanisation poses new challenges to mobility, buildings and logistics, amongst others;
- f) The EU's major competitors such as the USA, Japan and China are pursuing a strong and active industrial policy supported by broad investment in leading edge products and services.
- g) Access to energy at affordable prices for industry will not be as easy as it was. A change towards renewable and carbon neutral energy supply requires new products and new management systems.
- h) The ongoing changes in industry require responsible restructuring measures and perspectives for "blue collar workers" and also skilled workers with strong manual skills and a vocational training background; their employment must be a priority

An integrated sustainable industry policy

EU industrial policy has to be orientated towards both a sustainable, eco-efficient and globally competitive renewal of our industrial base and towards a sustainable transition from a mainly product-focussed industry towards a knowledge-based one. A coherent and unambiguous industrial policy along with a clear strategy and indicators to ensure and monitor success should be jointly developed.

The integration of all EU policies with an impact on industry is crucial. This requires a new level of cooperation within the Commission and cooperation with all actors involved. Different trends in industrial policy in different Member States: (protectionism, governance, incentives, and pure competitiveness) should not be allowed to get out of control. We stress the need to properly defend our manufacturing sector from imports without control of products that are not compliant with European standards of safety. And we must also ensure that our industry becomes less dependent on external energy sources. These are all challenges for which the S&D Group presents concrete proposals.

Our way forward - A new approach to a sustainable industrial policy

The first and most important challenge is to develop a qualitative and, where possible, quantitative vision for European industry for 2020, which looks towards competitiveness and sustainable development in the long term and lays down guidelines, for example for energy-/ resource efficiency and research and innovation. This gives us the opportunity of measuring progress in a transparent and effective way.

We must do this, in order to ensure that European industry becomes more stable and competitive, resulting in sustained job creation. In this context, the S&D Group regrets that Point 9¹ of the Commission Communication on industrial policy places less emphasis on specific targets, named indicators and review of objectives, than previous Commission deliberations and that these have now been subsumed into general observations on the EU 2020 Strategy. It is crucial to have a detailed time frame for monitoring implementation and to have an annual progress report. The effectiveness of these guidelines and initiatives should be reassessed every year by the Commission in order to identify any problems that have arisen during their implementation and lay down additional objectives with a view to ensuring that EU industrial policy is always at the forefront of progress.

¹ Commission communication of 4 of July 2007 entitled 'Mid-Term Review of industrial policy - A contribution to the EU's Growth and jobs strategy (COM (2007)374)', 'point 9. Industry's competitiveness also depends on its ability to undertake **structural change** in response to the challenges of globalisation and technological advances. To address the consequences the EU has developed legislation dealing with restructuring¹ and provides financial assistance through the structural funds and the European Globalisation Adjustment Fund. The Commission has made a positive assessment on the first two applications for the Fund and requested the budgetary authority to make available the necessary appropriations. However, more needs to be done to anticipate trends of structural change, better prepare for restructuring, and improve synergy between different policy strands, with the involvement of all stakeholders.

A new, sustainable industrial policy can achieve success only via an integrated, cross-sectoral approach underpinned by horizontal and sectoral initiatives and measures at European, national and regional level extremely effective cooperation within the Commission is necessary and a **permanent industrial policy task force** should be set up for this purpose, which will be responsible for coordinating and adapting the direction and the measures under the current new and integrated European industrial policy strategy and for monitoring their implementation. A consistent analysis of the industrial policy implications of future legislation and assessment of its implementation is crucial, social partners must be included and the process should be as transparent as possible.

A new, sustainable industrial policy can only be effective if it is pursued in close coordination with the policies of the Member States. It is the duty of the Commission to take in 2011 the initiatives that are possible under the Lisbon Treaty (Article 173(2))² in the form of guidelines, indicators, monitoring possibilities and evaluation procedures. A new framework that will permit and encourage companies from different Member States to work together more effectively in setting and achieving their industrial priorities must be developed. This will strengthen the competitiveness of European-made products and improve responses to changing global market conditions.

A new, sustainable industrial policy needs strengthened public authorities who dare to set clear objectives and concrete goals and draw up rules of the game for industry, through democratic processes. Within this framework, industry can develop, grow and evolve towards sustainability in a context of maximum legal certainty and long term policy stability.

The success of this new, sustainable industrial policy will depend on the involvement of all stakeholders, particularly the trade unions and other social partners and a clear partnership principle in all areas and measures must be ensured, partly by joint monitoring and evaluation of future measures, including assessment of strategies/measures/programmes;

Innovation

Innovation is the main driving force behind industrial policy and all initiatives in support of innovation must be based on a comprehensive definition of innovation, that goes beyond technological and product-orientated innovation and places at its centre the enabling role of citizens. Innovation must include the whole chain: products and production systems, services, training, processes, organisation, quality, management, dissemination and protection. It is also clear that innovation policy must not reflect the product alone, but also its demand and use, with a view to integrated development and more target-orientated production, leading to tangible benefits for consumers, businesses and the whole of society. Innovation is about successfully putting ideas into practice and targeting products, processes, services and movements. Citizens' demands as consumers and commitment as professionals are strong drivers of innovation. We must bring about a serious mind shift towards more innovative and curious-driven thinking, encouraging changes towards sustainable consumer patterns and providing innovative solutions, enabling individual citizens to contribute to finding the solutions to as yet unmet social needs.

² The Member States shall consult each other in liaison with the Commission and, where necessary, shall coordinate their action. The Commission may take any useful initiative to promote such coordination, in particular initiatives aiming at the establishment of guidelines and indicators, the organisation of exchange of best practice, and the preparation of the necessary elements for periodic monitoring and evaluation. The European Parliament shall be kept fully informed.

In contrast to energy and natural resources, human capital is an infinite resource but it needs to be taken good care of and 'used' in a more innovative and sustainable way. Workers are more than just a cost factor; they can be drivers of innovation too. This is the essence of our beliefs. Investing in people is paramount if we wish to have a European industry capable of facing the major societal challenges in a socially sustainable way.

Organisational innovation is changing the way we work, the way we produce and European industry should aim towards dynamic management, flexible organisation, smarter working and improving working conditions for its workforce. Each investment in technology innovation should be accompanied by resources for organisational innovation.

Research expenditure in the EU for the upcoming programming period after 2013 (Framework Programme R&D 8) has to be significantly increased (EU target: 3% of GDP for research and development, 1% of GDP in public funding) so that European industry remains at the forefront of technology and globally competitive, thus putting private investment to effective use. Particular attention has to be paid to support for innovation in resource productivity and effective and sustainable use of energy and raw materials. And there is a need for simplification of administrative procedures and of procedures for accessing funding.

The EU and its Member states must provide a favourable environment for companies to invest in R&D and innovation. The setting of benchmarks and standards has proven to be a strong driver for promoting innovation and sustainable competitiveness in several industrial sectors. Alongside strongly process-oriented research and innovation, research in basic cross-sectoral technologies in such areas as ICT, biotechnology, nanotechnology, space, renewable energy, new means of transport and new materials are needed. The EU and the Member States have to re-evaluate the whole ecosystem of innovation with a view to removing unnecessary barriers and there is a need to set up a simple accessible system to accelerate innovation and actively prevent fragmentation and bureaucracy.

The Risk Sharing Financial Facility (RSFF) has shown success as an important way of providing research funding via the EIB, and we strongly encourage the Commission to make significantly more funds available to promote more high-risk innovative projects and to encourage SMEs' participation. New funding possibilities have to be used to strengthen the innovative capacity of SMEs. Creating revolving innovation funds from ERDF resources is one opportunity and should be disseminated as good practice. Attention must also be given to other forms of funding to support the development of innovative technologies by bringing together various stakeholders at different levels (European, national and local), as well as to making use of a range of tools including public-private partnerships and venture capital. An inventory of best practice in existing and planned funding mechanisms, fiscal measures and financial incentives to promote innovation is of paramount importance. And of course, an annual update and review of these measures' effectiveness is also necessary.

The stimulation of technologies for sustainable development initiated in Environmental Technologies Action Plan (ETAP) with the cross-linking of research, environmental and economic strategies is the right move forward and we need an ambitious ETAP follow-up plan.

Public procurement is a powerful instrument for stimulating innovation. It represents 17% of EU GDP, therefore it can be a powerful driver for industry, provided that procurement guidelines contain parameters taking into consideration factors like resource and energy efficiency, environmental impact, re-usability and recyclability, proximity of supply, work safety measures, etc... Competitors such as China and the USA have set ambitious targets for public procurement of innovative and environmental products. We should strive to do the same in the EU. All opportunities offered by Directive 2004/18³ should be used consistently at every level (EU, Member State, regional and local).

Resources

Our target is clear, economic growth can and should be decoupled from increased use of resources. Labour productivity has developed in the last decades much faster than resource productivity (energy and material). In industry, it is estimated that labour costs represent less than 20% of a product whilst resource costs represent 40%. The clear increase in resource productivity and efficiency, re-use and recycling of raw and auxiliary materials and supplies is strengthening the global competitive position of European industry. In 2020 we should reach a doubling of resource productivity. We should therefore promote them as a priority in an action plan and if needs be, adopt a Directive on resource productivity and efficiency.

This means:

- developing clear indicators on macro, meso and micro level (considering OECD model, Japanese approach and cradle-to-cradle attempts) for measuring the increase in resource productivity, further developing corresponding product and process standards and guidelines,
- prototype development of new approaches, such as resource contracting,
- disseminating best-practice solutions and promoting resource efficiency networks and
- materials efficiency agencies,
- developing an SME-friendly standard form of business sustainability report which will analyse the 'environmental rucksack' – resulting in economies and making firms more competitive in consequence – and group together and standardise existing reporting requirements and possibilities (e.g. EMAS), which should be mandatory wherever possible

³ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts

The availability of raw materials is of central importance to European industry's development possibilities, as recycling rates vary from a few percent up to 70%. In some Member States, landfill of waste has almost disappeared, while in others more than 90% of waste is still buried. This is unacceptable.

The S&D Group believes that we need a comprehensive notion of raw materials not limited to 'critical raw materials' as defined by the EU Commission, that should also include:

- intensification of raw material recovery and reuse by means of consistent implementation of existing recycling and waste rules, more far reaching recycling standards, appropriate support for research and a stop to the legal and illegal exporting of waste containing raw materials,
- an extension of producer responsibility,
- more research on substitutes for scarce raw materials,
- optimal utilisation of raw materials available in the EU, including amongst other things the rapid introduction of a European geo-information system that gives an overview of the raw materials available in the EU,
- ensuring adequate provision of raw materials through fair trade agreements and strategic partnerships, but only when this is fully compatible with the development objectives of EPAs (European Partnerships Agreements) and with the EU's development commitments.
- intensifying exchanges with partners such as Japan and the US on access to raw materials through bilateral dialogue but also with key raw material producing countries such as China and Russia
- measures to counter the growing market domination by national oligopolies and monopolies and transnational corporations as regards the extraction of mineral and energy raw materials and the manufacture of semi-finished goods, as well as trade therein;

Energy and industrial policy are closely linked. Industry needs an energy policy focused on the long term, guaranteeing appropriate energy prices and security of supply, exploiting the vast potential for energy efficiency in European industry, allowing for manufacturing to take place without damaging emissions to the climate, and preventing carbon leakage:

The internal energy market is an asset when it comes to switching to low-carbon production and supply and also must take advantage of the digital and transport network infrastructures. Energy infrastructure must therefore be renewed and extended in a timely and cost-efficient manner, and smart grids and metering have to be promoted, particularly with the aid of funding from the European Investment Bank and through the use of other public and private financing mechanisms.

Independence from external energy markets and continuing development of European renewable energy suppliers should also be sought. By setting clear long term objectives a profound switch towards 95% renewable energy production by 2050 is possible. The S&D Group calls on industry to support the tremendous shift from fossil fuels into low carbon alternatives. There is no doubt about the extraordinary potential for job creation and cost reduction benefits that energy efficiency improvements are expected to yield. The adoption of measures including targets, standards, incentives and benchmarking mechanisms that ensure energy efficiency improvement is an advantage to almost all industrial sectors.



Education and training

The supply of suitably qualified labour lags behind the needs of a restructuring and renewed European industry. More investment is needed in the field of education and training. Every effort has to be made to redress skills shortages inside Europe by means inter alia of:

- an institutionalised dialogue between the relevant authorities and social partners with a view to reviewing syllabuses and devising effective ways of completing the transition between school and the job market,
- coordinated initiatives to improve the teaching of STEM subjects (science, technology, engineering and mathematics) at all levels, particularly to women, and to promote the exchange of best practices,
- opening up and modernising universities to allow them to offer higher vocational qualifications (for engineers, IT specialists, technicians, etc.);
- securing the right to lifelong learning for all citizens, who must be given the opportunity to retrain during their working life, which is crucial for equality and solidarity but also for competitiveness in times of economic difficulties,
- up skilling the existing workforce with particular focus on the low-skilled and employees with outdated training. The aim of upskilling is to boost firms' competitiveness and employees' job prospects;
- additional coordinated and targeted higher qualifications, which are of benefit to both employers and employees, which could be helped by a more extensive use of the European Social Fund,
- studying the new needs created in terms of employment and qualifications by the development of jobs in a sustainable economy with a view to responding to them by means of appropriate training,
- the need for Europe-wide strengthening of work-based learning in order to link vocational training systems more closely to the labour market, and the importance of enhancing the appeal of vocational training throughout Europe with higher education permeability for vocational training graduates.

Reluctance to engage in self-employed business activity has to be overcome by creating a more attractive environment for business starters, more integrated support schemes such as ENTRE: DI (Interreg-funded project of 7 Partners on the development and improvement of entrepreneurship support) and specific programmes such as 'Erasmus for Young Entrepreneurs'.

A sustainable culture for industry

There is an evident need for stronger, better-coordinated and technology-neutral EU policies on lead markets, such as on environmental and related industries (some 3.5 million employees, EUR 300 billion turnover, up to 50% of the global market) and manufacturing industries with a strong capacity for innovation, such as steel, chemical, energy, automotive and shipbuilding, which have comparative advantages, of which full use should be made. Stakeholders should cooperate closely to develop and maintain investments and production in Europe

For these purposes, product-specific legislation such as the eco-design directive should be further developed, along cost efficiency lines; and work should also continue on

industry stimulating initiatives such as the 'green car initiative'. Market-based instruments and other incentives can also play a major role in creating driving forces to develop such lead markets. In this context, we defend a long-term campaign on sustainable consumption to raise awareness, change behaviours and support new innovative products and designs. The Competitiveness and Innovation Framework Programme (CIP) and close to-the-market innovation funding is to be extended beyond 2013 and considerably expanded.

There is still vast potential for the performance of European industry in the full implementation of the internal market and the Commission and Member States have the duty to quickly dismantle the remaining obstacles and barriers. All efforts have to be stepped up with a view to creating without delay a Community patent in order to improve the framework conditions for industrial property rights. Also, we believe in stepping up efforts for implementing a reform of standardisation methods while drawing attention to the comparative advantages of complying with high social and environmental standards and bringing about international standardisation in order to safeguard technological leadership.

The European directive on takeover bids must be revised to give the EU the means to oppose projects that may prove to be detrimental – in industrial, economic, environmental and social terms – to social cohesion and the stability of the internal market. The Union must be able to oppose takeover bids from firms that are not socially responsible and/or fail to comply with good governance requirements, along with takeover bids envisaged in sectors that Member States deem to be strategic, in accordance with the European Union's international undertakings.

Renewed investment is needed in Europe's industrial workforce, with a strong emphasis on sectoral social dialogue to manage structural changes caused by globalisation and on the promotion of a resource- and energy-efficient economy.

The S&D Group has always argued that greater participation and consultation of workers ensures a qualitative development and prevents poor working conditions in the process of renewal.

Employees' ideas and skills must be used in restructuring processes, and therefore the widest possible consultation should be carried out, going beyond the minimum requirements (e.g. Directives 2002/14/EC⁴ and 2009/38/EC⁵). A framework for cross-border collective bargaining in order to contribute to the enforceability of cross-border agreements and to tackle the challenges of work organisation, training and working and employment conditions is also necessary.

The S&D Group underlines that high safety nets are crucial to industrial development and management of structural changes. We acknowledge that facilitating the transition for workers displaced or otherwise negatively affected by structural changes is primarily the responsibility of the Member States.

⁴ Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation

⁵ Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees

However, we believe that an outlook should be developed for workers and companies affected by restructuring resulting from structural change or the effects of globalisation, through ambitious retraining programmes geared towards a rapid re-entry into the labour market. This outlook could be achieved by creating Restructuring Task Forces composed of all parties concerned, particularly workers' representatives which would oversee the restructuring processes and ensure smooth economic transition with a stronger role to be given to the EU Structural Funds in restructuring processes, so that employees and firms can be offered a future.

The S&D Group defends the need to intensify research and development in the furtherance of conversion processes, in order to assist workers in moving to other sectors where new job prospects exist, both in the private and public sectors. Specifically the employment of workers with strong manual skills is a primary focus of our policies. And we need the European Commission to take a more active role in the restructuring of companies with a European Works Council; all relevant information has to be made available at the earliest opportunity to the European Commission when such restructuring is carried out so that it can fully play its role as European interlocutor and coordinator for the Member States. On this basis, the Commission is in a better position to screen and assess any use of State aid to assist restructuring.

State aid policy can not only be seen in the context of competition law, but must, in the interest of Europe, be used pro-actively, transparently and with clear rules to strengthen innovation and the roll-out of new products, and in connection with industrial restructuring operations.

In Europe, there are regional differences in industrial development, predominantly where there have been de-industrialisation processes in new Member States. This element must be incorporated in the new sustainable industry policy so as to strengthen territorial cohesion.

There is no doubt about the great importance of small and medium-sized enterprises (SME) in the industrial landscape, in particular when it comes to providing long-term jobs at regional and local level, in preserving economic and creative vitality and ensuring a high level of growth.



This is why the S&D Group defends:

- quick implementation of the Small Business Act, to deal with shortcomings in the application of the guidelines adopted and to address specific measures such as reducing administrative burden and the 'SME Test', so that sufficient progress is finally made for Europe's SMEs, thus creating equal initial conditions for all SMEs in the internal market;
- better access to financing opportunities for SMEs and, in particular, the development of viable venture capital possibilities. In the context of the new architecture of the financial markets, the strengthening of financing possibilities for SMEs and their preferred sources of finance;
- a development of provision of advice to SMEs in the export business, particularly as regards gaining access to markets in non-EU countries, ensuring a long-term presence in those markets, protecting intellectual property and optimising their financial and technological value
- an examination of the EU's definition of SMEs with a view to allowing for greater flexibility in specific industrial sectors in which SMEs do not fulfil the specified sales and employment thresholds due to specific market structures, but are nevertheless medium-sized (however, any change to the SME definition must not impair its effectiveness).

Though international trade policy is central to the development of EU industry, namely by providing access to existing or emerging markets, trade is not a goal in itself but part of a successful industrial strategy. Trade policy should provide access to key and growing markets on a fair basis. The multilateral rules-based system under the WTO with its dispute settlement is the most effective and legitimate means of managing and expanding trade relations in a transparent way.

Future trade agreements have to be drawn up in such a way that they form part of an industrial strategy based on fair competition in the developed and developing worlds. Sustainable production requires decent work. The principle of sustainable development must be comprehensively applied, and social and environmental standards incorporated into free trade agreements. Corporate Social Responsibility (CSR) must be imposed on European investors in trade agreements as a guarantee against social dumping and our partner-countries have to respect the fundamental rights of workers, as defined in the core ILO conventions.

Clear steps must be taken to ensure that European industries are not endangered by unfair practices, as is currently the case. There is a clear need for the EU to secure full reciprocal regulation for its businesses, when negotiating bilateral and multilateral agreements with third countries and improve the effectiveness of trade defence instruments to combat non-tariff barriers, unfair state aid, and monetary, social and ecological dumping practices.



Regions

The S&D group is a staunch believer that regional structures make a major contribution to the strengthening of industry in Europe; competitive clusters and innovation networks (businesses, universities, technology services, training institutes and research centres) and linkages among businesses themselves and with other players (value-added chains, synergies) are essential to investment decisions.

For this reason, we are clear that:

- innovation clusters and networks should be given greater support, enabling knowledge transfer and research, better training and the infrastructure to be promoted in a coordinated way; this should also be a priority for the European Regional Development Fund,
- regional network structures such as metropolitan regions should receive EU assistance when promoting their industrial base,
- the European Investment Bank should strengthen the link between industrial policy and territorial cohesion;
- clusters and networks should be brought together under the 'umbrella' of European platforms, so that support for clusters and networks could be strengthened,
- Emphasis should be placed on regions that are lacking in necessary infrastructure

Specific industries

In parallel with a horizontal approach, industry-specific initiatives can respond to the particular characteristics of individual industries and help modernise them and increase their competitiveness. Therefore, the S&D Group wants:

- the existing industry-specific approaches (task forces, high-level groups, innovation platforms such as Cars 21, etc.) to be renewed, comparably developed and equipped with clear strategic content by the Commission, in consultation with all stakeholders,
- the results to be implemented in a way that is tailored to the needs of the specific industries, - securing of sustainability proofing of the sector specific approaches in line with the EU's climate and energy policy objectives and ambitious resource efficiency objectives,
- a particular focus on key European industries, facing major societal challenges but where there is also business and employment potential,
- a placement of the complementary nature of different types of cross-cutting technology, and on the convergence between the sectors concerned that have been made possible by the transition to a digital economy
- regular progress reports by the Commission;



Responsibility

European industry, which profits from political efforts and favourable framework conditions, should assume more responsibility for sustainable growth and employment in Europe. Industry should enter into clear voluntary commitments to invest in Europe, sustain its own research efforts, contribute to a new culture of qualifications, develop even more innovative, sustainable products and processes, and enter wherever possible into strategic partnerships in Europe.

Corporate Social Responsibility (CSR) systems support social and sustainable development outside the EU and should be introduced. The world economic and financial crisis has clearly demonstrated the need for companies to act with due diligence in full conformity with the principles of CSR regarding both good corporate governance and respect for the environment and social excellence.

Implementation of new mediation approaches to monitor and build new infrastructures and to implement them in order to increase citizen involvement is also of societal relevance, so that infrastructure necessary for the sustainable renewal of the industrial base (e.g. smart networks, wind farms, new railway lines) becomes a reality within a short time span.

It is time to act

It is time for the EU to take full advantage of the common opportunities for sustainable renewal and further development of the industrial base with good quality jobs. European industry should maintain leadership in key domains, not become the follower. And the EU has to make sure that the added value is created within the EU itself. It is time for the EU to choose its own path towards a European industry fit for the future.

The S&D Group has a vision and concrete proposals to make this happen and we count on all the progressive forces in Europe to translate our ideas into practice, thus equipping European industry to successfully face the challenges of a competitive, sustainable and human economy.



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