



# TOGETHER FOR A FAIR DEAL FOR WORKERS

**Tripartite Social Summit – 20 March 2024**

**Intervention of Esther Lynch, ETUC General Secretary**

**Together for a European Industrial Strategy with quality jobs at its heart**

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**There can be no doubt about the need for action.**

Europe has entered a new geo-economic era that calls for renewed attention and a new approach. There are worrying signs, the number of people employed in manufacturing fell by 853,000. Feelings of job insecurity in the EU are widespread and on the increase, across all sectors workers fear loss of their jobs. The current cost of living crisis comes at the end of decades during which real compensation has lagged considerably behind real labour productivity growth.

**There is a quality job shortage in Europe.**

In a globalised world, grappling with European industrial policy is strategically important.

It must address multiple objectives, from strategic autonomy, to competitiveness and quality job creation. Old industrial policy questions are re-emerging but with a new level of complexity because of the urgent need to move forward with the green and digital transitions.

**The real question is not whether Europe needs an industrial strategy, but what kind.**



For workers, the European Industrial Strategy needs to mitigate negative impacts and incentivise the positive outcomes. Policies that decarbonise must be complemented by policies that stimulate the creation of new and quality jobs, this means for example proactively tying quality job outcomes to investments.

A common European Industrial Strategy needs a **common European funding instrument**. It is of paramount importance to take immediate steps to put in place a permanent EU instrument to guarantee the necessary investments for all Member States and regions.

**The elephant in the room is the real risk of austerity arising from the new economic governance rules.**

Even the European Investment Bank states that *“the reinstatement of fiscal rules is likely to result in fiscal consolidation, which tends to affect public investment disproportionately”* and affect negatively also private investments. *“Pulling back on public investment would be bad news for competitiveness, given the positive effect public investment has on private investment, including in digital technology and climate action”*.

A European Industrial Strategy fund could be designed similar to the SURE instrument that mitigated unemployment risks during the pandemic or to the revolutionary recovery and resilience facility.

With all urgency, we call on the European institutions to guard against reforms built on austerity that do not guarantee investment, public services, infrastructure, housing, transport, childcare, which are all required to achieve fair green and digital transitions and are essential ingredients of the European Industrial Strategy.

**And we must make sure that all public money goes to organisations that create and retain quality jobs.**



This means strong **social conditionalities**, connected to investments, state aid and public funding, to support companies that create quality jobs covered by a collective agreement.

The **Directives on public procurement** must also be revised to ensure that public contracts do not lead a race to the bottom on lowest price. Contracts should only awarded to organisations that respect workers' and trade union rights, that negotiate with trade unions and whose workers are covered by collective agreements.

### **Leaving no one behind must move from a slogan into reality.**

Closures and job losses are not inevitable. Managing transformation can be a success. But it won't happen by good intentions alone.

The ETUC is calling for a European **Directive for Just Transition in the world of work** which ensures the right for workers and their trade unions to the anticipation and management of change, with social dialogue and collective bargaining in the driving seat.

It is key to ensure the **right to training without costs for workers and during working time.**

### **Quality jobs mean secure jobs.**

The European Pillar of Social Rights calls for action on the commitment that 'transition towards open ended forms of employment shall be fostered'. Given the geopolitical risks, it is worth noting that Eurofound reported that workers experiencing job insecurity are less satisfied with the functioning of democracy in their country, they are less likely to vote in elections and are also less likely to participate in demonstrations – an indicator of disengagement.

Ending all forms of insecurity need attention in the European Industrial Strategy, including for example limiting subcontracting and preventing all abusive practices such



as unpaid internships. Strong enforcement and inspections should be seen as a support to fair competitiveness, not a drag or an unnecessary regulatory burden.

**In conclusion, the ETUC is also calling on the EU to include Social Partners in developing a European Industrial Strategy** in which the workforce is closely involved in decision-making through anticipation and management of change, built through social dialogue and collective bargaining, and where the focus is on investment to drive up quality, to build up the skills of workforce rather than a race to the bottom on longer hours, less pay or reduction in rights.

**There is no EU light.**

The ETUC fully support the enlargement process and the need to provide an EU perspective to Ukraine and other accession countries. At the same time, we reject any piecemeal approach to accession discussions: **there should be no access to the internal market, or parts of it, without full alignment with the social acquis, respect for social partners and social dialogue.**

We can do it – but we must do it together.

Together for a European Industrial Strategy with quality jobs at its heart.

The trade union movement is ready to do its part.

**Ends**

