

Innovation by all and for all

Shaping a sustainable future for employment in manufacturing

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1. Rationale, vision and strategy for an innovation policy

The industry of tomorrow is shaped by the innovations of today. The projects that are currently in laboratories or on the drawing board will later become smart, high-performance products or more efficient and environmentally-friendly processes. They will displace market shares, value added and jobs. They will change skills and working conditions.

Innovation is permanent. It is the key to sustainable economic development. We cannot, and should not, try to resist it. But trade unions can, and should, take an active part in **shaping innovation**. By doing so, as a **pillar** of an **active industrial policy**, industriAll Europe will be a **protagonist** of **responsible change**, in industry and society.

IndustriAll Europe's **vision** is to shape innovation towards a model where innovation is open to all workers and all citizens, and for the benefit of all: "**Innovation by all and for all**".

Innovation should aim at:

- addressing **social, environmental** and **economic** needs
- **better products** and **better processes**, to support the positive differentiation of European industry on the global market and the long-term development of new, **high-quality jobs**
- a **fair conversion** towards a socially, economically and environmentally **sustainable society**.

In order to implement these aims, industriAll Europe has identified the following **five strategic options**:

1. Industry and public authorities should substantially increase **investment** in **Research & Development**
2. Regulation in the Internal Market must be predictable, consistent and ambitious, to remove barriers to innovation, and to foster a differentiation of products and processes through **quality**
3. The value added must be **distributed** along the supply chain, and wealth distributed within society
4. Innovation systems must foster **cooperation, democracy** and **workers' participation**, and produce systemic, socio-technical innovations
5. **Education** and **training** must provide all workers with the resources and skills to engage efficiently and confidently in innovation and change.

2. Implementing the strategy: concrete policy proposals

IndustriAll Europe encourages investment towards industry- and society-relevant R&D&I

IndustriAll Europe is generally **satisfied** with the recent developments in EU Research, Development and Innovation (R&D&I) policy, and with its clearer focus on industry- and society-relevant research, with broad cooperation among stakeholders.

The Excellent Science pillar of the Horizon 2020 programme will provide the background of scientific knowledge upon which new ideas can emerge. The Industrial Leadership pillar will support the quality-based competitiveness of European industrial products, and the efficiency of industrial processes in Europe. The Societal Challenges pillar will provide the technical and industrial tools needed to achieve the economically, socially and environmentally sustainable society that industriAll Europe calls for. The recently updated rules on State Aid for R&D, and the specification of a statute for Important Projects of Common European Interest (Art 107 3b, TFEU), give a more favourable framework for public support of R&D&I.

IndustriAll Europe believes that **European public funds for industrial R&D&I** should **only** be granted for **industrial applications within Europe**.

European rules on public support for R&D&I (and specifically on State Aid) must include the **condition** that the **first industrial application** of the R&D&I being supported by public funds must be set up within Europe. It is not acceptable to the industrial workers represented by industriAll Europe that funds from European public budgets be used to carry out the R&D of goods at low cost, only for them to then be manufactured elsewhere.

Additionally, the Lisbon Strategy target of 2000, which aims to dedicate 3% of GDP to R&D&I, is far from being reached. This is partly due to the structure of the industrial fabric in some Member States being less research-intensive. This is difficult to change.

As an intermediate and realistic goal for **European companies**, industriAll Europe proposes that they dedicate **more than 1.5 times the OECD average of their sector and of their size category** to R&D&I.

Tight and ambitious regulation in the Single Market must promote innovation in the quality of industrial products, processes and services

Re-regulate the Internal Market for goods and services

The Commission strategy of de-regulating at national level and re-regulating at European level must be used by trade unions as a means of supporting innovation. By enacting and enforcing **ambitious performance goals** for the social and environmental impact of industrial products, the European Union has been an engine of quality-based innovation. Health & safety regulation relating to dangerous substances and machinery in the workplace and in the public sphere, environmental regulation of industrial processes and of their pollution, performance requirements concerning the energy efficiency of automotive engines and of domestic appliances, eco-design requirements and eco-labels, continent-wide targets for the share of renewable sources in the electricity mix: all of these are contributing factors to the introduction of new, higher quality products and processes in factories and on the market; namely, the innovation that industriAll Europe is seeking to encourage. This regulation must be consistent and predictable, so that companies can plan their R&D. It should leave the technical solutions on how to reach these targets fully open.

IndustriAll Europe demands the **tight, ambitious** and **consistent regulation** of the European Internal Market of industrial products, and **ambitious targets** for energy performance and eco-design of industrial products.

Ensure trade union participation in the definition of "harmonised" standards

Standards are important for industrial policy. They define and segment the industrial products market, thereby influencing competitive positions of firms, and give legal certainty to innovators. European technical standards that support European regulation and policies are called "harmonised" standards. They are the tools through which the quality of products and processes is specified with the level of accuracy necessary to objectively assess whether it is attained or not. It must be ensured that these "harmonised" standards do not become the back door through which corporate interests water down social or environmental requirements.

To achieve this, the presence of workers' interests must be assured in those circles where "harmonised" standards are mandated and defined.

IndustriAll Europe demands that appropriate institutions and financial means be made available to **trade unions** to enable their **participation** in the **standardisation process** of "harmonised" standards, i.e. of those technical standards that support European regulation or policies.

An innovation system that distributes value added and wealth

The reality of contemporary innovation is very different from the simplified, heroic fiction of the lone innovator, which justifies "winner takes all" economic models. Innovation is performed by **cooperating teams** under an "**open innovation**" paradigm. In addition, technical objects are **systems**, so that the innovation is brought about by the **combination** of several innovations and existing technologies, and no single patent generates wealth by itself, in isolation.

Cooperative innovation in R&D consortia and in standardisation communities has developed a model of shared patents. **Free, Libre and Open Source (FLOS)** communities for software, and increasingly for hardware, go one step beyond, towards **shared ownership** of the rights protecting innovation.

IndustriAll Europe favours the definition of a robust legal environment for **Free, Libre and Open Source (FLOS)** software and hardware development, specifically ensuring that it cannot be privately appropriated.

Promote cooperative, systemic, socio-technical innovation

IndustriAll Europe promotes a vision of innovation where all workers, in all industries, are invited to participate in the design, implementation and testing of new socio-technical systems, and in sharing their benefits.

Innovation democracy: Involve trade unions in the strategic orientation and programming of R&D

The **governance** of publicly-funded innovation processes must be transparent, and not left to academics or corporate interests, who are given a free rein and whose actions go unmonitored. Trade unions should intervene where **strategic orientations** are decided, and where the **selection criteria** of projects are defined. Their contribution should focus on the consideration of potential risks (specifically with regard to Occupational Health & Safety) and opportunities (specifically with regard to the differentiation of products and processes on the market), on the societal usefulness of the innovation strategies being proposed, on their coherence with policy goals, leaving the task of considering their feasibility and their economic efficiency ("value for money") to the technology experts.

IndustriAll Europe demands that trade unions **participate** in the **strategic governance bodies** of the current publicly-funded R&D programmes at European level.

Foster workplace innovation

IndustriAll Europe supports the concept of **workplace innovation**, where social dialogue and enhanced Information & Consultation rights at all levels ensure that benefits brought about by modifications to manufacturing processes, to work organisation or to the (material or immaterial) good being designed and produced are shared fairly between workers and employers. This involvement in the innovation process should not only relate to the transformation of the workplace, but also to its strategic goals.

IndustriAll Europe and its affiliates support enhanced Information & Consultation rights, as well as genuine and thorough **social dialogue** on **workplace innovation**, and demand that it be set up in areas where it does not yet exist. They are ready and willing to participate in this dialogue. They demand that workers and their representatives be directly involved in the discussion on innovation processes and objectives, in the determination of priorities, and on the strategy to reach them – in a process of "innovation democracy".

For a right to employee-driven innovation

Contributions from all employees in the firm must be welcomed into the innovation process. In all European firms, any employee should be allowed to have the **initiative** to innovate. S/he should be supported and encouraged to do so by a dedicated structure for employee-driven innovation (e.g. suggestion systems). The exact form of this right to innovate, its limits, the mutual rights and obligations of the employee and of the company, should be the subject of a fruitful **social dialogue**. IndustriAll Europe and its affiliates are ready and willing to engage in these negotiations.

IndustriAll Europe demands an EU-wide **right** for all employees to initiate **employee-driven innovation** – however, this must in no way become an obligation.

Provide all workers with sufficient knowledge and competence to participate efficiently and confidently in innovation

IndustriAll Europe demands that all workers in manufacturing be provided, on a permanent basis, with the **adult education** and **training** which enables them to understand, anticipate and cope with change, and to innovate.

This adult education and training, which must be provided to workers in order for them to positively overcome the disruptions of change, and to innovate, are: the **knowledge** to understand the situation and the practical **skills** and **competence** (the "know-how") to work in their new environment.

IndustriAll Europe identifies 9 possible Important Projects of Common European Interest as having a strategic transformation potential

IndustriAll Europe proposes to **concentrate** the public funds available for supporting strategic industrial innovation in Europe on the following list of 9 Important Projects of Common European Interest (IPCEIs).

- a) Smart distribution and storage grids for electric energy
- b) Electronic Components & Systems
- c) Nanotechnologies as substitutes for Critical Raw Materials
- d) Multi-modal, hybrid transport systems
- e) Open "Cloud" services
- f) Mass customisation of garments
- g) Thermal renovation of buildings
- h) Bio-based chemistry
- i) Disassembly factories for enhanced recycling

3. Conclusion

To achieve innovation to the benefit of all, and with the participation of all, we call on the social partners at European level to discuss and, if possible, agree on the best ways to promote innovation in the workplace, with enhanced employee initiative, and on education & training schemes preparing staff for innovation and change.

We call on the European Union to promote quality-based innovation through smart and ambitious regulation of the Internal Market, and through a robust Free, *Libre* and Open Source legal regime. We call for the involvement of trade unions in innovation and standardisation strategies.

We call on Member States to concentrate their public means on strategic R&D&I projects, and to develop their innovation policies in the manufacturing industries together with the social partners.

We call on all companies to invest massively in R&D&I, and to initiate a cooperative innovation strategy involving all stakeholders such as customers, users, business partners and, first and foremost, the staff.