

## **Trade union position on the situation of European land armament sector**

*(adopted by the 1st industriAll Europe-Executive Committee*

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### **I.**

Secure, sustainable jobs and sites in Europe, decent working conditions, the highest level of social welfare and wages as well as workers' rights are core objectives of industriAll European Trade Union. These concerns guide our position and our demands for the European land armament sector.

The European land armament sector makes a key contribution to European and national defence and security policies. It provides high skilled employment to at least 128,000 employees and contributes to the European economy in terms of turnover, value added and as a driver of research and innovation. Many of the sector's innovations and technologies also have a civil use.

Since the mid-90s the sector has undergone profound changes in the form of consolidation and concentration processes. Since 2001, 1 out of 4 jobs in the sector has been lost, with the biggest negative employment developments in the new EU Member States. The trade unions acknowledge that pressures for change persist, not least as a result of decreasing defence budgets. We nevertheless insist that the current crisis should not be used as a pretext for eroding workers rights and a restructuring leading to massive job cuts and large scale relocation of production and R&D activities to low cost countries, maintaining only high added value activities in Europe. Governments bear political responsibility for the sector because of the specific nature of defence goods production. National governments and industry must therefore ensure that any industrial change is anticipated and gives clear job perspectives for the workers including employment alternatives, for example through industrial conversion projects.

Trade unions are also opposed to company strategies that focus exclusively on global exports. Instead, companies must also increasingly focus on diversification of production.

### **II.**

The study produced for industriAll Europe shows the fragmentation of the European land armament market and supply. At the same time, the absence of a European defence equipment market and the absence of a genuine security and defence policy as well as a common foreign policy must be stressed. Subsequently, defence policy is the responsibility of EU Member States. Trade unions affiliated to industriAll Europe support growing cooperation but underline that this must be based on a common political and industrial strategy laying down European defence capabilities and needs. In this context, both the European Commission and the EDA have a role to play.

Markets and industry have changed. Since the Warsaw Pact expired European states have continually reduced their defence expenditure. However, recent conflicts have led to the continual mobilization of the armies of European countries. Land defence forces are key to European operations and represent more than 80% of resources in current EU operations. Currently, Member States confronted with budgetary and financial crises are reducing once again their defence expenditure. Land armament could be the main adjustment variable as a result of fully stretched defence budgets and the limited availability of European cooperation programmes.

### III.

This concern led IndustriAll Europe to participate in the debate regarding necessary medium and long-term industrial policy strategies that will also benefit workers in the land armament sector.

- For trade unions, key elements are employment levels, the geographic location of jobs and their quality (qualifications, working conditions, and highest social welfare and wages levels). Trade unions emphasise the responsibility of public authorities to secure jobs and sites. The entire range of industrial capacities along the entire value chain has to be delivered within Europe including SMEs. This will ensure the strategic independence of Europe and its Member States regarding the production of defence goods.
- For trade unions, this requires spending on defence equipment produced in Europe, developing a strong industrial and technological defence base capable of ensuring EU and Member States' security and defence. In this context, a debate on Europe's core defence capabilities is needed. This debate should also address where defence goods are produced but it must be assured that research, development and production takes place in Europe, bearing also in mind a fair return on investment.
- For trade unions, this requires industrial policy strategies in the European Union and Member States that also include diversification and conversion strategies.

### IV.

**European Trade Unions call on the European Union, Member States and industry to ensure that**

- the discussion about the necessary political and industrial strategies for the land armament sector involves workers and their representatives at all levels of social dialogue (regional, national and European level)
- the European model of industrial relations and social dialogue is promoted in multinational companies

- greater efforts are made to define European defence capabilities and needs so that on this basis new cooperation programmes can be developed
- investment in research, technology and new cooperation programmes is increased to secure core skills all over the value chain for the land sector and, furthermore, for civil sectors like transport, energy and environment
- investments aiming at more environmentally-friendly production processes are increased and that these should also generate better working conditions
- diversification and additional uses of tools and equipment is promoted in cooperation with actors in civil sectors
- there is security in procurement and production: should programmes not be implemented, plants must be compensated
- conversion programmes are put in place, where necessary, to help generate high value-added activity and maintain key industrial skills in the regions
- young workers are hired and older workers are trained in order to maintain a high level of skills and know-how. A process of anticipating skills needs must be put in place at the European level.

## V.

### **To conclude**

A greater cooperation of EU Member States on Security and Defence Policy, linked to a strong European industrial policy for the defence sector is required. Trade unions support growing cooperation based on a common political and industrial strategy.

It is the role of EU Member States and the European authorities to drive industrial policy in Europe, to direct and control public spending and to minimize the social consequences of restructuring processes. National governments and the EU should have an active role in the development of industrial policies for the defence sector including diversification and conversion strategies. If Europe fails to develop a proactive policy and support for companies we risk losing technologically outstanding companies to foreign investors.