



Plenary sitting

B9-0089/2023

25.1.2023

MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on an EU strategy to boost industrial competitiveness, trade and quality jobs
(2023/2513(RSP))

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**European Parliament resolution on an EU strategy to boost industrial competitiveness, trade and quality jobs
(2023/2513(RSP))**

The European Parliament,

- having regard to the Inflation Reduction Act of 2022 (IRA), passed by the 117th United States Congress and signed into law by President Joe Biden on 16 August 2022,
 - having regard to the European Social Charter and the European Pillar of Social Rights,
 - having regard to the Commission communication of 10 March 2020 on a New Industrial Strategy for Europe (COM(2020)0102),
 - having regard to the Commission proposal of 4 March 2020 for a regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) (COM(2020)0080),
 - having regard to its resolution of 15 September 2022 on the implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy¹,
 - having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement),
 - having regard to the Commission communication of 30 September 2020 on a new ERA for Research and Innovation (COM(2020)0628),
 - having regard to the Commission communication of 25 November 2020 on a Pharmaceutical Strategy for Europe (COM(2020)0761),
 - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas Europe is at risk of a new wave of deindustrialisation; whereas vast increases in economic inequality, decaying infrastructure, worsening climate change and the broader pursuit of short-term profit at the expense of long-term investment have proven that modern capitalist markets and neoliberal policies are unable to generate an even distribution of wealth and income, support ecological sustainability, ensure affordable housing and healthcare or create sufficient high-quality jobs;
- B. whereas a long-standing European policy focus on market-based approaches and profit maximisation in the name of competitiveness has proven to be unable to solve divergences between Member States and regions, causing the loss of numerous jobs and hastening the de-industrialisation of entire regions; whereas only public industrial

¹ Texts adopted, P9_TA(2022)0329.

policies can guarantee equal, sustainable and just industrial development, including high quality jobs, and ambitious social and environmental objectives;

- C. whereas the liberalisation of the energy sector and the electricity market has failed to guarantee low prices and the necessary investment in renewable energy;
- D. whereas the COVID-19 pandemic has further illustrated the failure of the market economy in many regards, notably the failure to produce sufficient basic necessities such as masks, respirators or other sanitary equipment necessary to respond to the crisis;
- E. whereas industrial strategy can allow societies to take democratic and sovereign decisions on what to produce where and in what conditions, making industry a formidable asset for people; whereas leaving these decisions to the market amounts to little more than a massive transfer of public subsidies, funding the profits of private corporations;
- F. whereas through a number of new policy tools, including the Chips Act and the Inflation Reduction Act, the United States is actively promoting the delocalisation of European industry;
- G. whereas the decarbonisation of industry is essential to the green transition and the respect of the Paris Agreement; whereas moves to encourage the relocation of industry back to the EU are in line with EU objectives set out in the Fit for 55 package, especially regarding carbon neutrality of industry, considering the EU's comparatively high environmental standards and the need to foster local distribution channels;
- H. whereas the Union requires an industrial strategy that makes its industrial base more resilient, socially effective and environmentally sustainable; whereas a socially just transition and the future of industry require massive public investment; whereas such a strategy should cover the digitalisation of European industries and their transition to climate-neutrality, prioritising the safeguarding of quality jobs, equal development, 'energy efficiency first' principles, energy savings and renewable energy technologies; whereas such a strategy is crucial to ensure the respect of our climate objectives, notably the Paris Agreement; whereas the negative consequences of climate change in Europe are going to increase and will have adverse effects on the working conditions and health of people as well as causing additional costs for both households and industries; whereas robust climate change mitigation and adaptation measures will reduce significantly the negative effects of climate change in Europe and globally;
- I. whereas the EU's industrial strategy must go hand in hand with a labour strategy; whereas any fair and sustainable production model should place workers and trade unions, as well as workers' interests and long-standing expertise, at the very core of its development in order to ensure it functions democratically;
- J. whereas over recent decades, workers' wages have not followed increases in real productivity; whereas this has resulted, among other things, in a massive transfer of wealth towards wealthy shareholders;
- K. whereas abuse and exploitation of workers in certain industrial sectors includes social fraud, false self-employment, bogus posting, letter box companies and artificial

arrangements through subcontracting and in supply chains, resulting in long-term damage to social security systems and in an increasing number of precarious jobs, and should therefore be combated;

- L. whereas the increasing trend towards subcontracting increases possibilities for abuse; whereas the genuine and bona fide use of posting of workers, subcontracting, temporary agency work and seasonal workers is temporary by its very nature and legal definition, and therefore should only be used to address temporary needs for increased labour and skills;
- M. whereas the follow-up process to the Conference on the future of Europe could be an opportunity to try to change the Treaties' provisions on those matters; points out that the neoliberal dogma enshrined in the Treaties runs against the public interest, in particular Articles such as Article 60 of the Treaty on the Functioning of the European Union, which obliges the Member States to 'endeavour to undertake the liberalisation of services';

Going public

1. Calls on the Commission to switch from traditional liberal and market-based approaches to a totally new, progressive and ambitious way of organising our society, based on social and climate priorities and planning; calls for the construction of and support for a strong public industrial base in line with ambitious objectives and road maps, notably for essential and strategic products and technologies;
2. Calls on the Commission to ensure that its industrial strategy prioritises social and climate imperatives over profit maximisation and the dividends of multinational corporations; stresses that a progressive industrial strategy can allow societies to take democratic and sovereign decisions on what to produce where and in what conditions, making industry a formidable asset for people;
3. Considers that certain sectors are too important to be left to the market or in the hands of a few multinational corporations, particularly strategic sectors such as health, transport, digitalisation and energy; calls on the Commission and the Member States to offer a comprehensive assessment of the sectors concerned and potential remedies;
4. Calls on the Commission and the Member States to examine the possibility of creating one or more European public or non-profit consortiums and/or industrial infrastructures operating in the public interest in order to guarantee security of supply and prevent possible shortages of products of strategic importance;
5. Notes that the liberalisation of the energy market and the failure to control the prices of commodities most essential to industry, such as energy, have driven prices to unsustainable levels, undermining local small and medium-sized enterprises (SMEs) that are essential to the daily life of Europeans; regrets that other countries, including so-called allies, are taking advantage of the EU's inability to regulate energy prices to attract our industries to their territories;
6. Stresses that a stable supply of energy is essential to the proper functioning of any European industrial ecosystem; warns that energy supply difficulties could have

damaging consequences for productive infrastructure; highlights, in this regard, the need for a public system to guarantee the availability of energy in times of crisis; considers, therefore, that public control of the energy sector is essential;

7. Highlights the great potential of public companies to fully explore the possibilities offered by renewable energy, notably through local public and not-for profit infrastructures, including collective heating for apartment buildings, solar panels, small wind turbines and small hydroelectric plants, and infrastructure to ensure that the heat produced in industrial zones is not lost but distributed to adjacent neighbourhoods; stresses the major importance of improving energy efficiency throughout the EU; calls on the Commission to present a proposal aimed at promoting a European network of public companies able to produce, store and distribute renewable energy in the different regions;
8. Calls on the Member States to consider bringing into public hands, socialising or requisitioning production sites when to do so would be useful for public mission objectives or in order to prevent or respond to emergencies or shortages, such as the recent health, semiconductor or energy crises;
9. Calls for an inclusive industrial strategy that involves all industrial ecosystems, SMEs, regions, communities, trade unions and workers in its development and implementation; is of the opinion that strong industrial policies can limit inequality and make it possible to seize the opportunities created by the twin transitions;
10. Underlines that the Union's industrial strategy must pursue clear and well-defined objectives, in full transparency; recalls that the COVID-19 crisis exposed the fragility of production and value chains as they are organised today in a globalised system dominated by a small number of multinationals, and is concerned that no lessons have been learned from this crisis;
11. Calls on the Commission to produce guidelines for national statistics agencies in order to gather relevant data about industries in Europe, especially manufacturing, to measure the integration of value chains, the evolution of employment and territorial development;
12. Recalls the importance of sectoral industrial policies to maintain and develop industrial diversity as well as a broad industrial base, but stresses that the regional dimension of industrial policy, in terms of employment, economic and industrial development throughout the territories of the Member States, is also vitally important in view of the severe inequalities that reflect the strong concentration in certain industrial sectors; calls on the Commission to support the equal development of territories within the EU;
13. Insists on the need to ensure the social fairness of the industrial transition and to develop adequate measures to support the re-industrialisation of regions in transition through strategic interregional investment projects and through re-development plans for vulnerable regions, especially rural and remote areas;
14. Highlights that EU industrial policy must address the need for structural change and support such change in order to guarantee high quality and equal working conditions and employment;

Quality jobs

15. Stresses that civil society, consumer organisations and trade unions should participate adequately in the definition of both overarching and sectoral industrial strategies and priorities; calls on the Commission to include workers and trade unions fully at every stage of the development and implementation of EU industrial policies;
16. Highlights that upskilling and reskilling are important tools, but do not guarantee quality jobs; insists that so-called skills mismatches and shortages are too often the result of unattractive job positions and poor working conditions; insists that offering decent wages, stable work contracts, good work-life balance, regular training and attractive career prospects is essential to overcome these issues;
17. Underlines that harmful practices by certain companies, such as abusing the free movement of workers and services and/or practising social dumping, affect all Member States; calls on the Commission to ensure efficient coordination and exchanges of information between the Member States, in order to improve the enforcement of procedures and checks related to the cross-border provision of services, including workers' rights, and to effectively detect instances of abuse and exploitation such as social fraud, false self-employment, bogus posting, letter box companies and artificial arrangements through subcontracting and in supply chains; calls on the Member States to strengthen labour inspections;
18. Recalls that collective bargaining is an important tool to guarantee improved working conditions and protection for all kinds of workers and workers' organisations; stresses that these systems must be strengthened, especially for workers in atypical and precarious forms of employment, bogus self-employed workers and platform workers; calls for structural reforms to be rolled back wherever they lower employment protections or deregulate labour contracts, as this is counter-productive for the future of industry and workers;

Economic governance

19. Recalls that years of austerity have pushed Member States to neglect public investment, which has hit an all-time low; considers that EU industrial policy must instead embrace public investment strategies that promote the recovery of quality employment and manufacturing opportunities throughout the Union in order to support the equal and sustainable development of all EU regions; calls on the Commission and the Member States to promote public investment to create high-quality jobs and achieve ambitious social and environmental goals;
20. Considers the current European budgetary rules an obstacle to necessary public investment and to the financing of the transition to a zero-carbon economy; regrets that the new proposal on the EU Economic Governance Framework maintains the poor assessment of the causes of the sovereign debt crisis, keeping the arbitrary fiscal limits of the 3 % budget deficit and the 60 %debt-to-GDP ratio; underlines that in order to stimulate true solidarity, local production, more equal development and an ambitious industrial strategy, the Stability and Growth Pact (SGP) must be repealed; recalls the proposal of a golden rule on public investment in order to exclude public investment from the deficit criterion for all investment categories that benefit the people, such as

green investment; calls for the SGP to be replaced with a Sustainable Development and Employment Pact;

21. Maintains that a truly effective industrial policy needs a dashboard of social and climate targets as a roadmap to shape the industry of the future; considers that all sectors should contribute towards achieving the Union's climate objectives while respecting the 'do no significant harm' principle; underlines, in this regard, the importance of green hydrogen as a potential breakthrough technology; calls also for greater attention to be paid to network security and energy supply;
22. Considers public procurement to be a crucial driver of industrial transformation which should serve social and environmental development objectives; calls on the Commission to study how to make full use of the leverage of public expenditure and investments to achieve policy objectives, including by strengthening sustainability and making public procurement central to plans by prioritising key strategic sectors; calls on the Commission and public authorities to analyse the conditions for making sustainability based on environmental and social criteria, throughout projects' whole life-cycles, mandatory in public procurement; insists that SMEs should have a fair chance to participate in public procurement;
23. Calls for the creation of public banks to address the need for public investment; proposes to completely transform the European Investment Bank (EIB) into a genuine public investment bank, so that it responds to balanced, inclusive and ecological development objectives; calls on the EIB to continue to prioritise investments in public infrastructure, staff training and the quality of essential services in order to reduce inequalities between countries;
24. Calls for State aid rules for strategic public investments to be made more flexible in order to support a massive and coordinated European plan for strategic investments in Europe, ensuring that its distribution is balanced in order to fight most effectively against social and industrial inequalities across Europe;
25. Considers that while public investment is key to funding the infrastructure needed to enable the industrial transition, large profitable private industries must invest in making their own production processes sustainable; notes that tax breaks for profitable multinational corporations have proven ineffective in guaranteeing quality employment and avoiding delocalisation; calls on the Commission and the Member States to design binding standards and conditions to guarantee the performance of private investments in terms of employment and research and development;
26. Highlights that all public funding should be conditional on the achievement of certain social standards, including workers' and trade unions' rights and engagement in collective bargaining; recalls that social conditions should be attached to all public support for industry at EU and national level;
27. Highlights that public support measures are incompatible with the use of tax havens and the payment of dividends to shareholders, and that the recipients of such support must comply with strict environmental and social conditions, including safeguarding existing jobs and guaranteeing the sustainability of production sites;

28. Demands that any State aid come with conditions in terms of green investment and employment; underlines the importance of making sure that crisis support is only available to undertakings that respect applicable collective agreements and are not active in tax havens;
29. Recalls that the introduction of an effective minimum tax rate for large multinationals within the EU can contribute to tackling the issue of tax dumping, yielding more public funds; calls on the Commission and the Member States to guarantee fair taxation and tackle tax evasion, including by supporting a global financial register and a harmonised 25 % minimum effective tax rate on big multinational companies;
30. Recalls the importance of directing support measures to sectors in difficulty; highlights that offering State aid to groups paying high levels of dividends to their shareholders will be detrimental for companies, micro-enterprises and SMEs that are experiencing real difficulties;
31. Underlines that micro-enterprises and SMEs play a central role in EU industrial ecosystems and can be a source of sustainable and socially responsible business models; stresses the need to improve their access to national and EU financing, in particular in traditional sectors where digitalisation has not yet been developed;
32. Highlights the potential of the circular economy for modernising the EU economy, reducing its energy and resource consumption and transforming whole industrial sectors and their value chains, including recycling and reuse to reduce dependence on raw resources and materials;

Research and innovation

33. Regrets the continuous decline in efficiency of the current innovation system, due in part to data silos and the fragmentation of knowledge; expresses concern about the structural lack of fair returns on public investment in the current incentive model of the EU;
34. Calls on the Commission to support high quality public research and development policies supporting open science partnerships as a tool to reverse this decline and promote innovation, avoiding restrictive forms of intellectual property to facilitate use and sharing; considers that the central role that public initiatives and funding play in innovation, including industrial de-risking, should come with commensurate public ownership of process and/or end products;
35. Considers that a public research and innovation system must be underpinned by scientific employment policies that guarantee solid and attractive career development perspectives, fair salaries and stable contractual relations;
36. Acknowledges that intellectual property rights, notably trade secrets, can hamper or delay future research; calls on the Commission to promote an innovation ecosystem better set up for using collective intelligence to accelerate advances, making wider use of open science, patent pools and compulsory licensing; calls on the Commission to support measures favouring open science in order to accelerate the sharing of data and research results within the scientific community in Europe and beyond;

37. Recalls the essential role that new technologies, digitalisation and artificial intelligence can play in enabling researchers from European laboratories to work in a network and share their objectives and their results;

Trade

38. Expresses its discontent at the industrial policies of certain countries, including their use of harmful tax practices aimed specifically at encouraging the delocalisation of European industry; is concerned about the acceleration of the process of future free trade agreements without a detailed and objective assessment of the impact of these free trade agreements on the climate;
39. Highlights the importance of trade diversification and international diplomacy in order to avoid global trade wars; stresses that a degree of global economic interdependence is inevitable; stresses, therefore, the importance of international collaboration, equal partnerships, fair trade, and co-operation for mutual benefit with third countries as ways to strengthen European industrial resilience;
40. Calls on the Commission to develop a tool to guarantee maximum transparency in production and supply chains in strategic sectors, including with regard to stocks and potential shortages; calls for an early warning system for shortages, based on a European information network on supply problems, to monitor the obligation on the part of industry to provide early and transparent information on the availability of strategic products such as medicines and medical products;⁴¹. Calls on the Commission to adopt a new intellectual property strategy and to promote the transfer of crucial environmental technologies to developing countries by granting free or open licenses for such technologies in order to facilitate the green transition on a global scale;

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42. Instructs its President to forward this resolution to the Commission and the Council.