

Joint statement of the CEEMET-EMF Social Dialogue Committee Ad Hoc Working Group “Competitiveness and Employment in a Globalised Economy”

The EMF and CEEMET are through their social dialogue building a common understanding about the key challenges for companies and workers in the European metal, engineering and technology-based (MET) sectors. Their discussions are the basis for their joint contributions to European policies.

Both organizations are united in their demand for a strong industrial base and manufacturing sector in Europe. They believe that strengthening the industrial base in Europe is paramount to the realization of the Europe 2020 Strategy. CEEMET and the EMF will work together to attain this goal.

CEEMET and the EMF are convinced that the European economy will in the future continue to depend on the development and manufacture of new products and related processes and services. Industry creates wealth for society and provides answers to some of the most pressing challenges of the 21st century: scarcity of resources, global climate change, globalization of the economy, demographic development, infrastructure and urbanization. Industry is crucial for the creation of jobs, boosting productivity, fueling innovation and raising social standards. In this context it must not be overlooked that traditional manufacturing sectors have high innovation capacity.

A competitive MET industry requires supportive framework conditions. The EMF and CEEMET support the promotion of industrial policy as a flagship initiative of the Europe 2020 Strategy and welcome the recognition of the major role that the manufacturing industries play in the European economy. They believe that economic and industrial policy in Europe must be geared towards sustainable economic growth, innovation, and energy- and resource efficient production. Policies must be coherent and promote an overall environment that ensures a competitive manufacturing sector able to deliver high quality and sustainable employment. Where necessary, horizontal policies must be adapted into specific sectoral action plans to meet the particular needs of individual sectors.

The financial and economic crisis has refocused public attention on the importance of the metal, engineering and technology-based industries for the European economy. Member States, companies and social partners across Europe have undertaken remarkable efforts to counter the effects of the crisis in the MET sector. These measures, which have varied with differences in national, regional and local situations and conditions, include for instance the use of credits from individual working time accounts; temporary reduction of working time, temporary collective agreements, sabbaticals – sometimes combined with workplace related training.

Specifically, many of the measures discussed by the social partners in the European sectoral social dialogue have concerned short-time working schemes or schemes which were alternatives to existing national systems of short-time working and which are used in different ways in several EU Member States. These systems have in several countries contributed to avoiding redundancies and helped retain qualified workers despite often dramatic falls in orders and production and the consequent effects on labour cost and productivity. In certain cases the reduced working time has been used to (further) train individuals. In this context, CEEMET and the EMF underline the importance of using

short-time working schemes in an efficient and effective way, combining these, where and to the extent this is possible, with (further) training measures tailored to the needs of the companies and the employability of the individual.

Overall, the EMF and CEEMET agree that fundamental to successfully navigating the crisis has been the possibility at sectoral and company level of finding solutions accepted by both sides of industry which ensure adaptability and workable solutions.

While all these initiatives have helped manage and cushion the negative effects of the financial and economic crisis, including mitigating redundancies, it is also recognised by CEEMET and the EMF that many of these measures can only be understood as temporary measures as such measures if used on such a scale as to amount to state support for companies could have detrimental long-term effects on the international competitiveness of European Industry.

EMF and CEEMET underline that beyond the immediate task of managing the impact of the economic and financial crisis, companies and their workforces in the European MET sector must in the long run be equipped to meet the challenge of international competition and the need to cope with ever faster technological and organizational changes, and to see these changes as opportunities. Crucially, the sustainable transformation of industry to meet the triple challenges of climate change, energy security and demographic change requires a process of anticipating and managing change in a socially responsible way. Knowledge, skills, technological innovation, innovative work practices as well as adaptability are essential pre-conditions in this process.

The EMF and CEEMET take note of the application of different flexibility strategies on company as well as on sectoral levels, often as a result of collective agreements. They will work together to increase their mutual understanding about different forms of adaptability and employees' security needs, e.g. ways to regulate working hours and other working arrangements at company as well as sectoral levels.

Finally, CEEMET and the EMF underline the essential role of the relations between the two sides of industry. They note with satisfaction that the social dialogue, facilitated by having to cope with the effects of the economic crisis has improved and they are committed to working in co-operation with the different sub-sector dialogues, also through their involvement in the "Anticipation of Change" project of the European automotive industry focused on evolution of the sector and its impact on the supply chain and the regulatory field. The EMF and CEEMET hope that through their dialogue at the European level they can contribute to further developing Social Partnership – a crucial factor for the future success of our industry in Europe.