

E U R O P E A N E C O N O M I C A R E A
C O N S U L T A T I V E C O M M I T T E E

18 September 2020

RESOLUTION

on

The EU's New Industrial Strategy and the EEA

Rapporteurs:

Mr Petr Zahradník (European Economic and Social Committee, Employers –
Czech Republic)

Ms Dagný Aradóttir Pind (EFTA Consultative Committee, Workers – Iceland)

RESOLUTION

on

The EU's Industrial Strategy and the EEA

The Consultative Committee of the European Economic Area (EEA CC):

- Having regard to the EEA Agreement, and in particular Article 96 thereof;
- Having regard the European Commission Communication ‘A New Industrial Strategy for Europe’ of 10 March 2020, the European Commission Communication on the European Green Deal of 11 December 2019, the European Commission Proposal for a Regulation establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) of 4 March 2020, the European Commission Communication on An SME Strategy for a Sustainable and Digital Europe, the Communication “Identifying and addressing barriers to the Single Market”, and the Communication “Long term action plan for better implementation and enforcement for Single Market rules the European Commission Communication ‘A new Circular Economy Action Plan for a Cleaner and More Competitive Europe’ of 11 March 2020 , the European Commission’s Communication on a "European Skills Agenda for sustainable competitiveness, social fairness and resilience" adopted on 1 July 2020, as well as the European Commission’s proposal for a Covid-19 Recovery Plan;
- Welcoming the European Commission’s New Industrial Strategy for Europe;
- Welcoming the various recent initiatives taken by the European Commission to improve the functioning of the Single Market, a corner stone for Europe’s industry, such as the adoption of the Single Market Enforcement Action Plan and the Single Market Barriers Report, both adopted on 10 March 2020;
- Referring to earlier resolutions of the EEA CC, in particular the Resolutions on Benefits of 25 years of the EEA Agreement of 2019, Work-Life Balance in the EEA of 2018 and Digitalisation and its impact on jobs and skills of 2017 and on the Social Dimension of the EEA and the European Pillar of Social Rights of 2017;

- Referring to opinions of the European Social and Economic Committee, in particular on the Industrial policy towards 2030¹, on the Just Transition Fund², on the European Green Deal Investment Plan³, on The role of cohesion policy in the transformation of the economy⁴ and on A New Industrial Strategy for Europe⁵ of 2020;
- Acting in accordance with its Rules of Procedure, and in particular Article 2(2) thereof,

While:

- A. Acting in accordance with its mandate to enhance the awareness of the economic and social aspects of the growing interdependence of the economies of the EEA States and of their interests, as laid out by Article 96(1) of the EEA Agreement;
- B. Emphasising the importance of the role of social partners for the good implementation of the EEA Agreement;
- C. Emphasising the central role of the Single Market in Industrial Policy;
- D. Recognising that the COVID-19 pandemic in 2020 will have a stark and long-lasting financial and social impact on private businesses, workers, civil society and the public sector across Europe and beyond and recognising the need of support at different levels;

Has adopted the following Resolution, by which it:

Legislative process

1. Welcomes the Commission Industrial policy package containing the Communication ‘A New Industrial Strategy for Europe’, the Communication

¹ Opinion of the European Economic and Social Committee (CCMI/161), [Strategic developments in industrial policy by 2030, with a view to strengthening the competitiveness and diversity of the industrial base in Europe and focusing on long-term performance within global value chains](#) (exploratory opinion requested by the Austrian Presidency), adopted on 17 October 2018.

² Opinion of the European Economic and Social Committee (ECO/504), [Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund](#), adopted on 10 June 2020.

³ Opinion of the European Economic and Social Committee (ECO/505), [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Sustainable Europe Investment Plan - European Green Deal Investment Plan](#), adopted on 10 June 2020.

⁴ Opinion of the European Economic and Social Committee (ECO/513), [Enhancing sustainable economic growth across the EU](#), adopted on 15 July 2020.

⁵ Opinion of the European Economic and Social Committee (INT/897), [Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions – A New Industrial Strategy for Europe](#), adopted on 15 July 2020.

“Identifying and addressing barriers to the Single Market” and the Communication “Long term action plan for better implementation and enforcement for Single Market rules;

2. Calls on the EEA EFTA States to contribute to the development of upcoming EEA relevant legislative proposals of policies that will have an impact on the Single Market and a swift incorporation into the EEA Agreement as soon as possible after their adoption at EU-level;

A green industrial strategy

3. Points out that the New Industrial Strategy – as part of the European Green Deal which is Europe’s new growth strategy – must ensure the right balance between supporting businesses, respecting the 2050 climate neutrality objective and providing consumers with incentives to shift consumption to sustainable goods and services;
4. Recognises the crucial importance of shifting to a carbon-neutral economy and of reversing the current curve of biodiversity collapse. Without a green industrial strategy, we will never succeed in reaching a carbon-neutral economy within one generation;
5. Stresses that in this context, a cornerstone of sustainable economic growth in the EU could be the creation and development of circular economy business models that could offer significant potential for fostering European competitiveness. It must give weight to decentralised and cooperative clean energy solutions;
6. Stresses that to reach the goals of the Green Deal industry has one of the leading roles, supported by the right regulatory policies, public procurement, fair competition, the full involvement of SMEs and financial instruments at EU and national level. Indeed, climate mainstreaming in all EU programmes is going to be key for the success of the European Green Deal;

Industry and a just transition

7. Recognises that the twin ecological and digital transitions necessary for achieving modern and competitive industrial policies will change all aspects of our economy and society;
8. Welcomes that the European Commission’s has placed the twin ecological and digital transitions in the centre of the Covid-19 Recovery Plan; a well-coordinated European industrial policy is fundamental, taking into account both the current challenges of the COVID-19 and post-COVID-19 situations and digitalisation and sustainability aspects;
9. Stresses that if properly managed in a fair and inclusive way, these twin transitions can have opportunities for the EEA, including new business

opportunities and enhanced employment in new sustainable value chains. However, if not anticipated, these changes can deepen existing inequalities between regions, sectors and people and result in the loss of many European jobs;

10. Considers the need to strengthen supply-chain strategies, including diversification, as well as the realignment of supply chains across multiple sectors;
11. Stresses that for the EU's new industrial strategy to be a success, all parts of our society must be prepared to face the adjustments following the twin transitions with the necessary tools. The transition must be to the benefit of European citizens, workers, companies and society as a whole - no one must be left behind – and their support and confidence of the civil society is needed to facilitate the major economic changes necessary to save the planet from climate change;
12. Stresses that any attempt to achieve and enhance sustainable growth requires sound policies and regulations which enables competitiveness and environmental protection, with an emphasis on mainstreaming environmental protection into economic activity. Open dialogue with social partners and civil society remains key to setting sound economic conditions;
13. Key industries and sectors must be identified and supported, from human resources to research, resulting in a European industrial policy that strengthens strategic sectors and ensures security of supply of key goods such as respirators, masks and other products in a pandemic situation;
14. Europe must finance activities that meet two criteria: restoring strategic production to make Europe independent, particularly as regards health protection and responses, which provides quality jobs; and focusing on sustainable investment that is socially responsible and environment-friendly. Small and medium-sized enterprises (SMEs), just like large companies and social enterprises, could play a crucial role in restructuring the European production system;
15. The energy transition in Europe must be accompanied by the necessary investments to ensure industrial competitiveness, the protection of its workers, the creation of new jobs and support for local development. Transition processes must be deliberated with the social partners and civil society organisations and related to transparent and effective communication policies;
16. Welcomes the Commission's initiative to launch the Just Transition Platform to offer technical and advisory support for carbon intensive regions and industries;

Skills and re-skilling

17. Welcomes the Commission's new skill agenda;

18. Stresses that a qualified workforce with the right skills and specific competences to unlock the full potential of digital and technological growth is the very backbone of a competitive industry. Retraining, reskilling and lifelong learning for the European workforce is therefore an essential part of a competitive, industrial future for Europe;
19. Underlines the importance of improving gender equality in industry by appropriate policies;
20. Highlights that both traditional and emerging industrial sectors will need to develop a proactive approach, anticipating, adapting and managing change with new sustainable technologies, jobs and re-skilling matching the challenges of the future. New policies on skills should be designed with the involvement of civil society organisations and the social partners in order to speed up the adaptation of education and training systems to match the demand for new jobs;
21. Stresses that new policies on skills must be designed with the involvement of civil society and the social partners in order to speed up the adaptation of education and training systems to match the new jobs that are on the horizon;
22. Emphasises that job transitions and losses caused by technological development must be followed by job creation and calls upon the relevant authorities to encourage these transitions in close cooperation with the social partners so that enterprises and new industries can act as drivers of growth, better jobs and new occupations;
23. Underlines that preventing unemployment should become a key objective, not only assisting current workers in the transition towards new forms of employment, but also supporting young people and persons cut off from the open labour market, such as persons with disabilities, in finding work in these developing sectors;
24. Stresses that new ways of working - evolving as part of the digital transformation and the new platform economy - must be based on fair and appropriate protection of workers as in the rest of the economy;

Industrial innovation

25. Emphasises that improvements in education and training for new jobs and services should be closely interlinked with R&D policies and within the creation of work-based learning, extending the Skills Agenda to key industry sectors, such as construction, steel, paper, green technologies and renewable energies, manufacturing and maritime shipping;
26. Welcomes the Commission's proposal to support high quality research and skills through the launch of Public Private Partnership under the Horizon Europe Programme but emphasises that it will be crucial to strengthen the

funding under this programme to appropriately enable actions that stimulate innovation in industry;

Identifying and addressing barriers to the Single Market

27. Underlines that hurdles to a real and functioning Single Market identified in the Communication “Identifying and addressing barriers to the Single Market” need to be urgently addressed by the European Institutions as well as all countries inside the Single Market. This includes better coordination of regulatory choices at EU level and national level and easing complex EU/EEA legislation; improving the transposition, implementation and enforcement of EU legislation; strengthening administrative capacity and practices – including e-government solutions; harmonising the business and consumer environment in the different countries inside the Single Market;
28. Believes that a level playing field in a wide range of aspects (not least international labour standards, fair competition and compliance with climate change targets) for global firms operating in a global marketplace should apply;

Better enforcement of Single Market rules

29. Welcomes the recognition that one central reason for why the Single Market is not fully functioning is that national transposition and compliance with Single Market rules is not satisfactory and needs to be substantially improved and enforced, noting that the improved national implementation of Single Market rules could generate an additional 3-4% of national GDP;

The role of social partners

30. Stresses that a robust and competitive industry across the EEA can only be achieved through an enlarged and strong social dialogue and close tripartite cooperation;
31. Highlights the crucial role of social partners and other stakeholders in giving valuable input on new way of thinking which is needed to secure the green, digital and industrial transition. The success of the way forward for the EU’s new industrial strategy will be determined by the degree of involvement of all players within the industrial value chain.