Opinion of the European Economic and Social Committee on ‘Fostering structural change: an industrial policy for an enlarged Europe’
(COM(2004) 274 final)
(2005/C 157/13)

On 20 April 2004, in accordance with Article 262 of the Treaty establishing the European Community, the Commission decided to consult the European Economic and Social Committee on the Communication: ‘Fostering structural change: an industrial policy for an enlarged Europe’.

The Consultative Commission on Industrial Change, which was responsible for the Committee’s work on the subject, adopted its opinion on 2 December 2004. The rapporteur was Mr Van Iersel and the co-rapporteur was Mr Legelius.

At its 413th plenary session of 15 and 16 December 2004 (meeting of 15 December 2004), the European Economic and Social Committee adopted the following opinion by 142 votes to one with nine abstentions.

Executive summary

After many years industrial policy is once more a priority on the European agenda. Of course, in the past decade there have been specific industrial policy measures and thematic approaches but these have not always been properly coordinated or balanced from the point of view of European business. The changing world context — with the United States, China, India playing a major role— requires rethinking and enhanced efforts. The time has come for a reappraisal of manufacturing industry and for a clarification of the complex interrelationship between industry and services.

In the Committee’s view, the need to raise public awareness constitutes an important challenge. Transparent data and analyses have to be made available to the public, thereby promoting consensus and public support. The EESC endorses wholeheartedly the three strategic axes: ‘better lawmaking’; an integrated approach at EU level; sectoral policies with specific and adapted measures. ‘Better lawmaking’ means a careful and ongoing assessment of current and new measures. Integrated approach means effective coordination of EU and national policies. A particularly new aspect of the Commission document is the sectoral dimension and tailor-made approaches. Notwithstanding certain common denominators, the picture varies from sector to sector. The Commission has carried out a number of sectoral analyses and more are foreseen. The EESC endorses this practice as a basis for ‘new style’ industrial policy.

Ongoing consultations of the business sector, regulation, removal of non-trade barriers, R&D, trade and targeted human resources management. In addition, it implies the setting-up of Technology Platforms that may generate new private-private and public-private alliances in Europe, e.g. between universities, research centres and businesses.

Improved coordination is desirable within the Commission (e.g. under the aegis of DG Enterprise) and in the Council of Ministers in order to promote visibility and encourage synergies. A mid-term action plan approved by the Commission and the Competitiveness Council configuration would be most desirable. The EESC urges that ‘new style’ industrial policy be taken into account in the preparation of the Mid-term Review of the Lisbon Strategy in March 2005.

1. Introduction

1.1 Industrial policy has been on the agenda of the European integration from the very outset. The ECSC Treaty embraced specific objectives and instruments for the coal and steel sectors. The EEC Treaty envisaged a more general approach in which the realisation of the internal market has always been and still is the key issue.

1.2 There have been specific industrial policy measures at EU level, targeting related objectives such as environmental, R&D or social ones. Over time, sectoral approaches were replaced by thematic approaches, but these have not always been properly coordinated with, or balanced from the point of view of European business.

1.3 Apart from general policies some sector policies have been worked out in view of market liberalisation, such as in energy and telecommunications. Some European industrial projects were initiated, e.g. Galileo.

The Committee considers industrial policy to be a useful tool to bring the European economy to the forefront of competitiveness, knowledge and sustainability as intended by the Lisbon Strategy. To that end, analyses and policies must be aligned more closely to the dynamics of the various sectors and businesses involved. ‘New style’ industrial policy has indeed to be based on market conformity and on a process of liberalisation. It also includes, however, sector-specific features, such as
1.4 Continuous industrial change and globalization nowadays require a further adjustment of approach both of industry and of public authorities to enhance European competitiveness. Last July the European Commission published an impressive analysis of the situation and prospects of European industrial sectors in the current global context, characterised by strong dynamism in other world regions. This dynamism may influence the investment strategies of European companies. Europe needs a qualitative technological leap forward to sustain competitiveness in most sectors.

1.5 In the framework of the Lisbon Strategy the European Council and other Council configurations, such as Ecofin and the Competitiveness Council, have discussed and are discussing a number of Communications and concrete proposals of the Commission for the improvement of macro- and micro-conditions for industry. In these documents and discussions a horizontal policy approach prevails. For a number of years the expression ‘industrial policy’ was simply avoided. It provided too many memories of state intervention and state subsidies, which have hampered the creation of a level playing field in a well functioning internal market. In the meantime, these interventions have gradually been abolished.

1.6 New views of industrial policy are being examined. In this context the Communication on Industrial Policy in an enlarged Europe was adopted in 2002.

1.7 The 2003 Spring European Council set the Competitiveness Council the task to review on a regular basis both horizontal and sectoral issues.

1.8 The Commission issued a second Communication on Industrial Policy in April 2004, which is the subject of the present document.

1.9 These initiatives and the outcome of the discussions to date led Commissioner Liikanen in May 2004 to state that contrary to the forecasts in the mid-1990s the EU’s industrial policy is once again at the top of the European political agenda.

1.10 The EESC welcomes the change of attitude regarding industrial policy, which is timely. It shares the view that, while avoiding mistakes of the past, specific attention to industrial interests and to the sectoral dimension is desirable. Experience and knowledge in this field, represented by the CCMI, may be supportive for the future. Correct industrial and sectoral policies will help significantly the realisation of the goals of the Lisbon Strategy.

2. The Commission’s views in a changing context

2.1 The crucial element nowadays is the change of context in the world economy. This requires new approaches. In the Commission’s view industrial policy in the future must be built around three axes:

— industry should not be overburdened by legislation and regulation. This implies careful assessment of both current and new measures;

— an integrated approach at EU level is needed to reinforce industry’s competitiveness;

— sectoral policies with specific and adapted measures are desirable.

2.2 This approach, cautiously announced by the Commission in 2002, marks a breakthrough. The previous document of the Commission on industrial policy dated from 1990. Since then some decisive factors have pushed industrial policy to the background in favour of primarily horizontal policies.

2.3 In 2000 the Lisbon Strategy was set out to bring the European economy to the forefront of knowledge and competitiveness. Until now this strategy has not been actively driven forward. Instead, the growth of productivity has diminished and unemployment has increased. Moreover, certain fears have arisen regarding delocalisation of industries.

2.4 For these reasons more precise analyses became desirable in the following areas:

— productivity and unemployment;

— what are the real facts about delocalisation?

— what is the overall impact of industry for and in Europe?


(4) Fostering Structural Change: an Industrial Policy for an Enlarged Europe, qualitative approach.


(7) The Bangemann report.

(8) See the related CCMI Opinion on The scope and effects of company relocations, currently being drawn up.
2.5 The Commission’s document of 2002 (9) sets the agenda for changes. It introduces a new content to ‘industrial policy’. But it still formulates this policy in rather abstract terms, putting together all EU-policies that are directly relevant for industry, without presenting concrete methods or procedures regarding a decision-making and coordinating role for the European institutions, and especially for the Commission.

2.6 The document Fostering structural change of April 2004, published under the aegis of Commissioner Liikanen and DG Enterprise, adds a lot more. This document in its analysis goes right to the heart of the matter in:

— presenting some illustrative figures on issues related to output and employment in manufacturing industry, also in relation with developments elsewhere in the world;

— presenting sectoral developments, thus giving a more precise picture of what is at stake in various sectors with a very different outlook.

2.7 The Commission rightly starts from ongoing dynamics, but emphasises at the same time that these dynamics can be conditioned positively by anticipation, identification of problems and fostering growth factors.

2.8 The general analysis confirms the slowdown in the growth of productivity in Europe, the gap compared with developments in the US and the disappointing performance of industry, especially in high-technology sectors. The relative shortfall in R&D expenditure in European companies, partly due to lack of sufficient private sector investment in relation to that of American companies, is — according to the Commission — quite obvious, with notable exceptions such as Finland and Sweden. In addition, knowledge-based capacities in China and India are expanding rapidly.

2.9 The Commission mentions — and it is worthwhile to mention this also here — a survey of major firms carried out by the European Round Table of Industrialists in 2002 that shows that a number of these companies intend to locate new R&D activities outside Europe, if the regulatory environment does not improve (10).

2.10 Although European industry performs quite well in traditionally strong sectors, such as engineering, chemicals, telecommunications and the automotive industries, new competitors are emerging. China and India are starting to compete successfully both in traditional and high-technology sectors. Here a direct link with de- or relocation of European companies can be observed.

2.11 An ongoing adjustment process is taking place worldwide. This adjustment is needed because of globalisation, which in turn also creates new opportunities. There are diverging analyses in this respect, but the Commission notes that certain worrying signals are emerging.

2.12 In relation to enlargement, investment from the former EU-15 in the new Member States is expanding. Given that this now constitutes investment within the EU, the proper functioning of the internal market is all the more necessary as regards environmental and working standards, for example.

2.13 As companies have to face competition in open markets within the framework set by the WTO, the Commission argues that it is up to the EU and to the Member States to give a clear-cut answer to the process of dynamic changes by:

— ‘better lawmaking’;

— an integrated approach to different policies with a view to competitiveness;

— taking fully into account the specific needs of the various industrial sectors.

2.14 The Commission advocates a detailed impact assessment of existing regulations and legislation as well as of forthcoming measures. Closer cooperation between the Member States and the EU is required, as many rules are implemented at national level. The Commission insists that the Competitiveness Council plays an important and transparent role in this process.

2.15 The Commission argues that synergy between policies can be obtained, when a more adequate fine-tuning consultation between the legislators, in close cooperation with industrial circles, is promoted.

2.16 The same goes for R&D. Undoubtedly, this will have financial consequences for the EU and also at a national level. This touches on the core of the Lisbon Strategy. In the coming year the Commission will propose new guidelines on research in the manufacturing industry, and on state aid for innovation. Technological platforms can play a very useful role.
2.17 Some policies aim directly at the creation of a favourable climate for competitiveness, e.g. competition policy and the abolition of trade barriers. However, the Commission argues that sometimes more sophistication in the application of these policies is possible and is required.

2.18 The Commission argues that cohesion policies can be used to promote desirable regional and structural changes as regards the functioning of the labour markets (11). The same goes for reconciling better sustainable development with competitiveness.

2.19 As the world at large is the field of play, the Commission advocates a level playing field on the basis of international standards. The EU standards are generally higher than in other competing world regions. In the future therefore a certain degree of equalisation will have to take place either via bilateral negotiations or in the framework of the WTO. This problem should be tackled not by adapting Europe’s standards to those of the rest of the world; rather, Europe must take initiatives, as in the case of the implementation of the Kyoto Protocol, to raise the standards of other parts of the world by acting appropriately in all international institutions.

2.20 All these issues have at regular intervals been discussed previously at EU level. The increased emphasis on ‘competitiveness’ is striking. The ultra-rapid developments in world markets do not leave much choice for Europe.

2.21 What is especially new in this Commission document is the sectoral dimension. For several years the Commission has been conducting in-depth studies on sectors, often based on consultations with sectoral organisations on EU level.

2.22 Interesting proposals have been made which have also been discussed by the EESC, regarding for example the pharmaceutical industry (CESE 842/2004), textiles and clothing (CESE 62/2004 fin; CCCI Supplementary Opinion CESE 528/2004), shipbuilding and ship-repair (CESE 397/2004 fin; CCCI Supplementary Opinion CESE 478/2004), space (CESE 501/2004), the chemical industry (CESE 524/2004; CCCI Information Report CESE 242/2004, currently under preparation) and life sciences and biotechnology (CESE 1010/2002; CESE 920/2003).

2.23 The picture varies from sector to sector. Of course, there are common denominators such as the requirement of quality as a competitive advantage, ICT as the new ‘raw material’, increasing capital-intensity and increasing international competition, but differences between the sectors are manifest. High technology and low technology, labour intensive and capital intensive, consumer goods and capital goods, few main players in the market and sectors characterised by SMEs etc. It is a fascinating picture that, as the Commission argues, has not been sufficiently taken into account by policymakers for many years.

2.24 In the framework of ‘industrial policy’ sectoral analyses and approaches are also back on the agenda. In this document the Commission does not work out further initiatives as regards the mentioned sectors.

2.25 Alongside these sectors the Commission is planning new activities. For the coming year studies are announced on the mechanical engineering sector, the ECO-industry, the automobile sector, the non-ferrous metals sector and the ICT-sector.

3. Favouring ‘new style’ industrial policy — EESC views

3.1 The EESC shares the view that the dynamics in the world economy require a renewed focus. It welcomes the fact that after a long period of time, ‘industrial policy’ is again back as a priority on the EU agenda. Certain aspects of Europe’s industry (such as the environment) have been on the EU agenda for the last decade, but the Council of Ministers has neglected to discuss policies that would improve coherently the conditions for overall output and that would sustain proactively the environment for (value-added) investments.

3.2 In retrospect, and in view of the present change to a more focused industrial approach, it is worthwhile to summarize the main factors that have contributed to a certain taboo on industrial policy:

— the failure of state intervention, in the large majority of cases, to make industry stronger and more competitive in the long run;

— the abolition of economically unjustified market distortions and promotion of a level playing field for industrial activities in Europe (although specific measures adopted in some Member States which distort competition need still to be scrutinised in a appropriate way at EU-level);

— the overall and successful emphasis on liberalisation of markets;

(11) The Commission is mentioning among other factors the emphasis to be laid on ‘competitiveness’ in the regional policy, and the outcome of the Task Force for Employment in Europe under Mr Wim Kok, established on 1.4.2003. In this regard it is worthwhile to see the related Opinion of the CCIC on industrial change and economic, social and territorial cohesion.
— the exaggerated expectations of the 'new economy' and of a post-industrial era;

— the focus on implementing EMU and adequate macro-economic policies;

— the loss of influence of the Ministries responsible for industrial interests in a number of Member States.

3.3 Most of what is presented by the Commission in its Communication has already been known for several years. The way it is presented, however, and the links between the different areas of analysis and proposed action, differ from earlier documents. More than in the past, analyses and policies are more directly related to the dynamics of the various sectors and of the businesses involved.

3.4 The EESC strongly endorses that more numerous in-depth studies of sectoral developments be undertaken in cooperation with business itself. These may promote the necessary 'sense of urgency' that was also the objective of the Lisbon Strategy in 2000, but which has subsequently slipped away, largely because the Council and the Member States have not implemented their own arrangements and previously agreed policies. This means that, in the view of the EESC, new style industrial policy has to be taken into account in the Mid-term review of the Lisbon Strategy in 2005. It may become a key pillar of that strategy in the future.

3.5 'New style' industrial policy is indeed based on market conformity and on a process of liberalisation but it includes other factors as well, such as sector-specific features; harmonisation of legislation in view of the internal market; the removal of non-tariff barriers; technology and R&D; and human resources.

3.6 This industrial policy must by no means fall back on incorrect policies of the past, that were characterised by market distortions of various kinds. The financial discipline that was brought about by EMU has also led to caution as regards financial and other state intervention in business. Except in a few specifically justified cases, it is generally accepted that in the long run intervention and public financial support do not serve business interests.

3.7 Taking into account recent worldwide developments and after some years of trying to implement the Lisbon Strategy — in particular as regards ailing economic growth in Europe, productivity, the application of ICT and reallocation of investment — the time has also come for a reappraisal of manufacturing industry and, to that end, for sectoral approaches and concrete steps. These should target activities best suited to European socio-economic conditions, particularly activities making intensive use of highly-skilled workforces in both operational and back-office areas (for instance, the manufacturing of tailor-made industrial equipment and systems: i.e. robotics, instrumentation, control equipment, etc.). The EESC endorses fully this approach and this objective.

3.8 A very important issue is to raise public awareness regarding the need for a sound industry. In order to serve this objective, transparent data and analyses have to be made available to the public. In the same context, European and national decision-makers should pay special attention to aspects such as the coherence of EU policies, harmonisation of national legislations within the EU and relative alignment of European and world standards (e.g. WTO).

3.9 Public awareness will promote consensus and public backing. Industrial policy cannot be limited to selective groups of people who are directly involved, either in government or in business. This matter concerns society at large. The health of European manufacturing industry serves the interest of all. In all related fields efforts have to be made to promote its image, e.g. in the field of education — not only professional, but also general education, with a view to stimulating the creation of technical skills.

3.10 The public needs to be made more aware of the close interdependence between the different links in the industrial production chain. For example, the entire steel-processing industry, and with it the automobile industry, is reliant on a sufficient and cheap supply of steel, the production of which in turn depends on a sufficient and cheap supply of raw materials.

3.11 Directly related to this is the need to clarify the interrelationship between industry and services. The economy is moving to a service industry, indeed, but many services depend directly on industry due to outsourcing and they will continue to do so. On the other hand sophisticated services are of paramount importance for the development of high quality and high technology performance in industry. In many ways it is a single package. In the dynamics of today the dividing line between industry and services tends to disappear.

3.12 The EESC is of the opinion that the Commission has to play an active role in this process. Putting industrial policy on the agenda serves in itself the objective of creating awareness. But much more can be done. First of all analyses, data and an adequate publication of these should be improved on:

— industrial Europe, both in terms of output and in employment;
3.13 The analyses should also take into account the differences of structure in the Member States given that some countries and regions have a stronger industrial base than others. In-depth knowledge of major industrial sectors will improve the objectivity of the debate on trends in, and consequences of the dynamics in the world economy.

3.14 Correct data are the basis of any sectoral approach. Many studies are made in business and on a national or academic scale. The EESC advocates the gathering of the results of such studies at EU-level with the support of Eurostat in order to create reliable and dynamic European databases on industry and services and to make SWOT analyses. Comprehensive and clear statistics will give a continuous picture of the ongoing changes. Eurostat’s fifty years of ECSC statistics could provide an example after appropriate adaptation.

3.15 The Commission rightly emphasises an integrated approach to policies, such as national corporate taxation systems, tax formalities, standards, trade, intellectual property, R&D, environment, labour market, training and education. The EESC strongly welcomes this objective, which has failed for too long, not only at European level, but also in a number of Member States.

3.16 It is not the first time that an integrated approach is advocated. Unfortunately, such an approach is very difficult to realise in a complicated environment in which the EU institutions have to come to terms with 25 Member States. A viable solution would be that the Competitiveness Council, together with the Commission, defines a mid-term action plan, to be evaluated annually.

3.17 It is also necessary that any policy affecting the competitiveness of industry in this action plan takes into account the different policy objectives of the EU in a balanced way. This has not always been the case in the past. Consequently, better exploitation of synergies between Community policies is needed.

3.18 It is to be expected that, when the rules of procedure and a mid-term plan will be discussed and approved in the Competitiveness Council, similar patterns will come into being in the Member States as regards industry in general as well as the issues for which the Member States themselves are responsible. This will also increase the influence of the Ministries responsible for industrial interests in the Member States.

3.19 The improvement of the regulatory framework implies, among other things, simplification and effective legislation at EU level. It must certainly not be limited to new regulations. ‘Better lawmaking’ is related both to the past and to the future. The proposal of the Dutch Presidency to give greater attention to the simplification of legislation, and the reduction of the administrative burden must be worked out. It is necessary to coordinate the directives and regulations that have general aims (horizontal policies) involving industrial safety, energy saving, waste etc. because they are interrelated and, sometimes, their effects are contradictory. Environmental directives have a special impact. Because these directives focus primarily on objectives, without harmonising implementation procedures, inconsistent application by Member States can lead to distortion of the market. Impact assessment and implementation are of utmost importance, since credibility of policies depends on their effectiveness.

3.20 Some aspects are of specific interest for the new Member States who must not limit themselves to acquiring foreign investment for cost reasons; in order to strengthen the durable capabilities of their economies they will also have to diversify their own industrial activity. There are some major challenges ahead, such as improvement of environmental policies, focus on training and improving skills and the engagement of all stakeholders in the industrial field via sectoral social dialogue, inter alia.

3.21 Market monitoring will have to be stepped up regarding products originating from outside the EU. Fair competition can only be safeguarded if there is a level playing field worldwide. In this connection, the EESC calls upon the Commission to strengthen its efforts in ensuring that appropriate labour, environmental and product standards are observed by all global players.

(9) A very interesting example is the study The Significance of Competitive Manufacturing Industries for the Development of the Service Sector, Bremen, December 2003. It can be consulted at the following website: http://www.bmwi.de/Navigation/Service/bestellservice.d1d=31812.render=renderPrint.html

(10) This objective has directly to do with effective economic governance. The importance of a transparent and visible framework, especially as concerns the Competitiveness Council, is underlined in the EESC opinion on Better economic governance in the EU.

(11) See also Mr Liikanen’s speech on 27 May in favour of an active industrial policy (cf. footnote no. 4).

3.22 Another important element of industrial policy is the safeguarding of a level playing field worldwide as regards trade. Competition-distorting practices by third countries, such as state aid and dumping, need to be subjected to systematic and detailed monitoring by the European Commission. Trade-policy measures need to be implemented resolutely, when the relevant criteria are met.

3.23 Along with 'better lawmaker' and the promotion of synergies between Community policies, the third pillar of the 'new style' industrial policy is the sectoral approach, an approach based on market conformity and open markets and one which is in line with the desirable horizontal policies. The EESC fully endorses this objective, which is already underway in practice. As the sectoral approach focuses on specific characteristics and developments of individual sectors, it may also be beneficial to the other two pillars, namely 'better lawmaker' and the promotion of synergies between EU policies. Environmental policy, vocational and professional training and research and development programmes can be formulated and implemented more successfully when embedded in a sectoral approach.

3.24 Sectoral analyses will show the dynamics of the developments in world context. They will have to put the picture of European industry in the perspective of the other partners and competitors on the world scene. They will show the interaction between industry and services. They also take proper account of social aspects, such as industrial relations and employment. Finally, sectoral analyses will also serve to identify the obstacles business faces as a result of specific EU rules and legislation. Consequently, business should be consulted more often at an early stage — when impact assessments are done — in order to identify desirable rules and procedures at EU level.

3.25 In this respect the Commission methodology for tackling competitiveness problems based on analysis, consultation and action (page 19) has to be extended. The Commission rightly cites cases as G10, STAR 21 and LeaderShip as examples.

3.26 LeaderShip 2015 (16) is a graphic example, provided it is executed correctly. The target is to safeguard a profitable future for the EU shipbuilding and ship-repair industries in an open market. It has brought together the Commission and European business. It has led to a common identification of the problems. It has defined eight chapters for action either by the industry or by the Commission. It is the basis for a fruitful social dialogue with the social partners on the modernisation process.

3.27 Other sectors may follow. There is no one-size-fits-all model. As the Member States themselves and their policies are also involved, it is desirable that tailor-made approaches as a consequence of these sectoral analyses will result in commitments of the industry, the Commission and the Member States alike. As far as the Member States are concerned such commitments may also contribute to promote exchanges of experiences and best practice. In the EESC's view, sectoral observatories at EU level could be very useful and should be set up.

3.28 Because of the overwhelmingly important aspect of 'knowledge' and R&D and because of the phenomenon of worldwide 'brains mobility' (scientists, searchers, managers and professionals) the EESC strongly endorses the set-up of Technology Platforms in which industrial sectors and business are expected to participate actively. They must not be limited to business itself, but they have to also include other key players such as leading technological institutes and universities. These Platforms may also generate new private-private and public-private alliances in Europe. (17)

3.29 It is necessary to create a European environment for knowledge that derives from an effective synergy between university, technological institutes and industry in order to promote applied technology. Sector specific features have to be taken into account. Furthermore, establishing a knowledge-based economy must be accompanied by the tools needed for life-long training, which should also be undertaken within institutions and universities. Once more, this can be fostered by sector-based impulses. In this context, the role of professional and executive management should be reinforced, with a view to mobility within the European Union.

3.30 In this connection, and in response to projects elsewhere in the world, major initiatives need to be launched to generate synergies between different sectors (e.g. Galileo, defence industry) and to stimulate cooperation between knowledge centres and industry, establishing the necessary conditions for the creation of groupings (e.g. Airbus) and clusters; the latter may boost competitiveness and foster economic, social and territorial cohesion. (18)


(17) See the EESC Opinion on Industrial change and economic, social and territorial cohesion OJ C 241 of 28.9.2004, especially points 1.4, 3 and 10 i.

3.31 Human resources are more than ever of paramount importance. In the ongoing process of industrial change this is, of course, a responsibility both of the management and the employees and their organisations. It implies among others an emphasis on quality, professionalisation, skills and motivation. (19)

3.32 In this respect it has to be duly taken into account that young people have become disenchanted with the idea of working in industry due to a lack of positive image. This has led, inter alia, to the scarcity of skilled labour.

3.33 In addition, the EESC argues that in the framework of the desirable sectoral approach sectoral social dialogues will enhance the commitment of employees and their organisations in view to adjustment and quality. Tailor-made approaches on a sectoral level will also promote discussions between the social partners on specific requirements as concerns competences, adaptability and capabilities of the employees.

3.34 In order to promote the implementation of specific measures based on the sectoral analyses, each of these has to be discussed in the Competitiveness Council. In the view of the EESC, this Council configuration is bound to play a decisive role in ‘new style’ industrial policy by providing a general platform for the involved interests. Adequate sectoral analyses conducted by the Commission and the Council and, ultimately, negotiations on measures to be taken in the above-mentioned fields will also reinforce the commitment of the national administrations, which, alongside business, play an outstanding role in creating a future-oriented environment.

3.35 In such an environment and in this approach there is no room for a policy of ‘picking the winners’ as former Commissioner Liikanen rightly said. The same goes for ‘national champions’. (20) This would place the whole debate on ‘new style’ industrial policy on the wrong footing. The objective is to promote a climate in which risk taking by European industry is encouraged. A policy of empowering the winners or backing the winners is much more suitable. (21) Financial and non-financial instruments to realise this objective have to be (re-)examined.

4.2 The EESC notes that, in view of a ‘new style’ industrial policy, there is an urgent need for a confidence-inspiring institutional framework in terms of the proper division of tasks within the Union — who is responsible for what, and when? — and in terms of the implementation in the Member States of objectives and directives decided upon by the European Council and the various Council configurations. (22)

4.3 The EESC supports the three elements of the ‘new style’ industrial policy: better regulation, promoting synergies between different Community policies and the development of the sectoral dimension. In view of transparency and visibility a better coordination is desirable within the Commission (e.g. under the aegis of DG Enterprise) and in the Council of Ministers. A better coordination must also lead to a much needed and fruitful synergy of policies. To that end a mid-term action plan approved by the Commission and by the Competitiveness Council, that is annually evaluated, would be most welcome.

4.4 The ESC welcomes the analysis and many recommendations in the report Facing the Challenge. (23) Nonetheless, it is a pity that the report does not refer to ‘new-style’ industrial policy as a useful tool to face challenges on world markets. In particular the sectoral approach and the need for well coordinated policies in that framework should have been emphasised. The EESC endorses the proposal of national action plans in order to enhance the output of these action plans and of EU policies, each must be coordinated effectively in the Competitiveness Council configuration. The EESC urges that these elements be taken into account in the preparation of the Mid-term Review of the Lisbon Strategy in March 2005.

4.5 The EESC emphasises the need for raising awareness, which is indispensable for consensus and public backing. It must become clear that the European society as a whole is involved in this worldwide industrial change that requires efforts in a much broader field than in business alone.

(20) See footnote 5.
(21) Ibid.
(22) Cf. EESC Opinion on Better economic governance in the EU OJ C 74 of 23.5.2005.
(23) Facing the challenge, the Lisbon Strategy for growth and employment, report from the High Level Group chaired by Wim Kok, November 2004.
4.6 The EESC believes that sectoral analyses can and will contribute positively to a better understanding of developments at stake. These will also favour a closer cooperation between public and private parties as well as tailor-made approaches and desirable adjustment of policies at EU-level and national level in order to promote the creation of new opportunities and, consequently, to contribute to the realisation of the Lisbon Strategy. Sectoral frameworks are also an appropriate vehicle for social dialogues aiming at promoting broadly shared commitment and at promoting the quality of human resources.

4.7 A sectoral approach of this type increasingly requires knowledge of world trends and industrial change within the services of the Commission. The EESC recommends strongly that Commission officials deepen their practical knowledge of what is at stake in the private sector. The CCMI and the European Monitoring Centre on Change can contribute to sectoral analyses as consultative partners without encroaching upon the role of the social players.

4.8 Taking into account the developments in the other big world regions — costs, competences and the combination of both — the decisive factors for European competitiveness are knowledge, quality, both of companies as such and of human resources and skills, and adequate organisation. Future-oriented policies and measures in these fields will be crucial.


The President
of the European Economic and Social Committee
Anne-Marie SIGMUND


(2005/C 157/14)

On 18 May 2004, the Council decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the abovementioned proposal.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 25 November 2004. The rapporteur was Mrs Sharma.

At its 413th plenary session on 15/16 December 2004 (meeting of 15 December 2004), the European Economic and Social Committee adopted the following opinion by 147 votes in favour, one vote against and six abstentions.

1. Introduction

1.1 The proposal’s principal objective is to enhance transparency and clarity of equal treatment legislation and to facilitate effective application by reinforcing the acquis and avoiding regression. A single piece of legislation is needed with a clear structure, easily accessible and legible to support the achievement of socio-economic Community policy goals for more and better jobs for women.

1.2 Regrouping the provisions of the Directives on access to employment, equal pay, occupational social security and the burden of proof opens the chance to present a single coherent text that is free of contradicting definitions. The proposal accounts for recent developments in European case law by updating existing secondary legislation in line with judgements of the European Court of Justice which have clarified and further developed the concept of equality. It also serves to guarantee a high level of legal certainty by putting together provisions of Directives linked by their subject — all this in the context of the new political environment which presents the Union as being open, understandable and relevant to daily life.

1.3 The Directive applies to the working population, including self-employed persons, persons whose activity is interrupted by illness, maternity, accident or involuntary unemployment and persons seeking employment, and to retired and disabled workers, and to those claiming under them, in accordance with national law and/or practice.