Global Trends and Sectoral Activities on ICT Electrical and Electronics Industry in Europe

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Notre industrie, nos emplois !

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- Foreword

  - Many thanks to the organizers of this conference as such meeting is really fruitfull to share various concerns, points of view and open our mind to new ways to address Trade Union issues

  - Many thanks to the people who helped me to prepare this presentation
    - Some slides have been extracted / adapted from presentation of Luc Triangle – General Secretary of IndustriAll Europe, Laurent Zibell – Policy Advisor of IndustriAll Europe, Eric Keller – Federal Secretary of FO Métaux

Europe in a political turmoil

- **Our purpose**:
  - Not to discuss the political choices of the European citizens
  - Just to provide some facts

Reminder

- Most of the Trade Unions do not provide recommendations for voting
- FO is independent from any political party

Europe in a political turmoil

- **From mid 2016 to end 2017, various elections & referendum may change the face of Europe**

  - In May 2016, the green party won tightly the presidential election in Austria. Challenger was the extreme right.
  - In June 2016, UK decided the Brexit
    - Negociations started, to be ended in 2 years time
  - In May 2017, Macron – a liberal pro Europe is elected as president in France. Challenger was the extreme right (Euro sceptic)
  - 7 countries in Europe don't have a majority in their Parliament:
    Ireland, Cyprus, Spain, Slowakia, Romania, Netherlands, Bulgaria
  - To come elections in Germany

Europe in a political turmoil

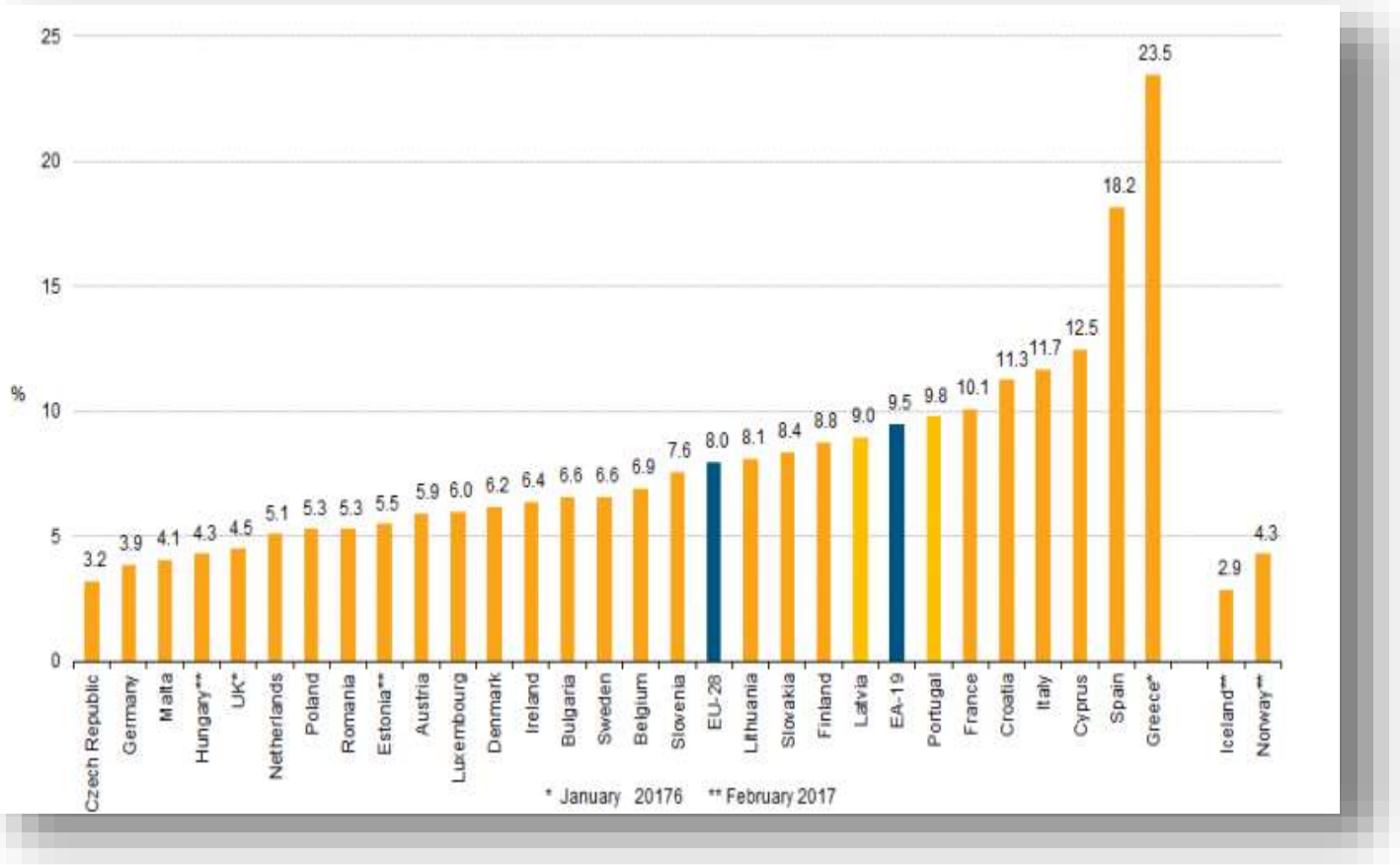
- **Learnings from these elections and referendum**
  - A lot of questioning about politics and way economy is managed in Europe
    - The economies have not fully recovered from the 2008 crisis when banks have been re-financed by countries
      - In 7 European countries the salaries have decreased between 2009 and 2016
      - In 14 European countries, the increase of salaries has been below to 1% per year
  - Number of Euro-sceptic people are growing
    - Some agreements (TAFTA, CETA) don't get full support from European citizens

➢ **Europeans can't stand any longer the austerity Politics that have not proven their efficiency**

Key figures about Europe economics

- **Global unemployment rates per country – Eurostat March 2017**
  - From 3.2% (Czech Republic) to 23,5% (Greece)
  - Average is 8% in EU 28 in 2017 vs 8.7% in March 2016

= 19.716 million men and women were unemployed in March 2017 in the EU 28

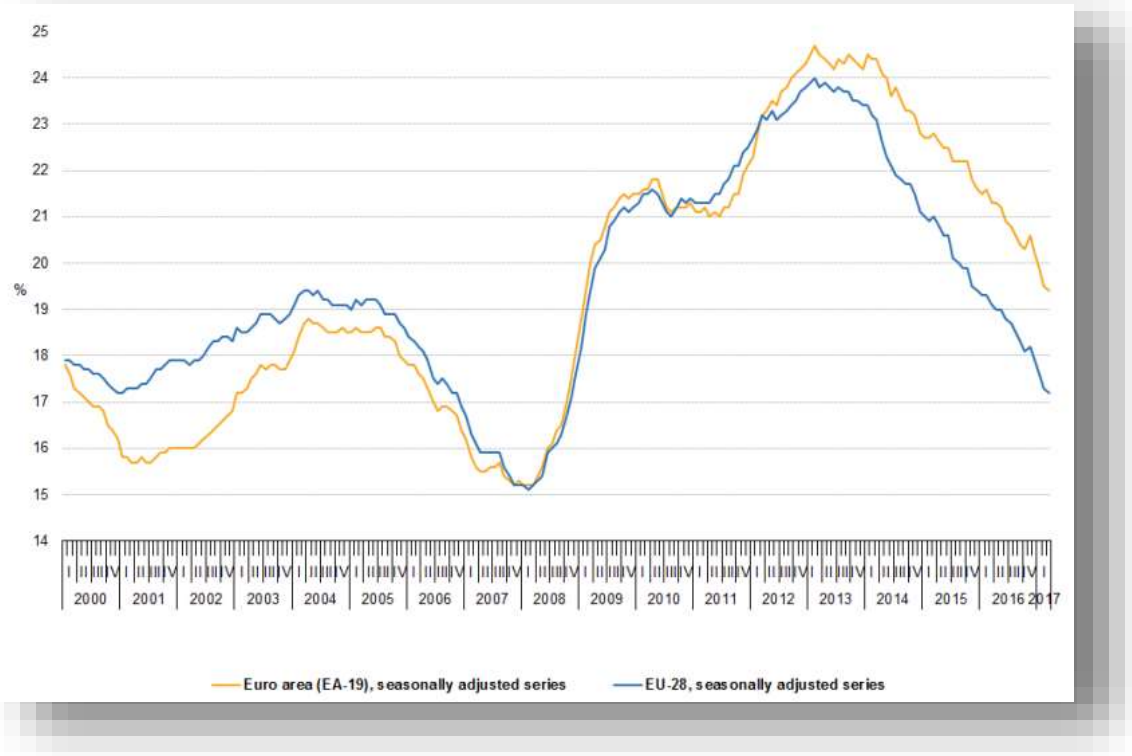


Key figures about Europe economics

- **Youth unemployment rates, EU-28 and EA-19, seasonally adjusted, January 2000 - March 2017**

  - In March 2017, the youth unemployment rate (under 25) was 17.2 % in the EU28 vs 19.1 % in March 2016.

  - In March 2017, the lowest rate was observed in Germany (6.7 %), the highest were recorded in Greece (48.0 % Jan. 2017), Spain (40.5 %) and Italy (34.1 %).

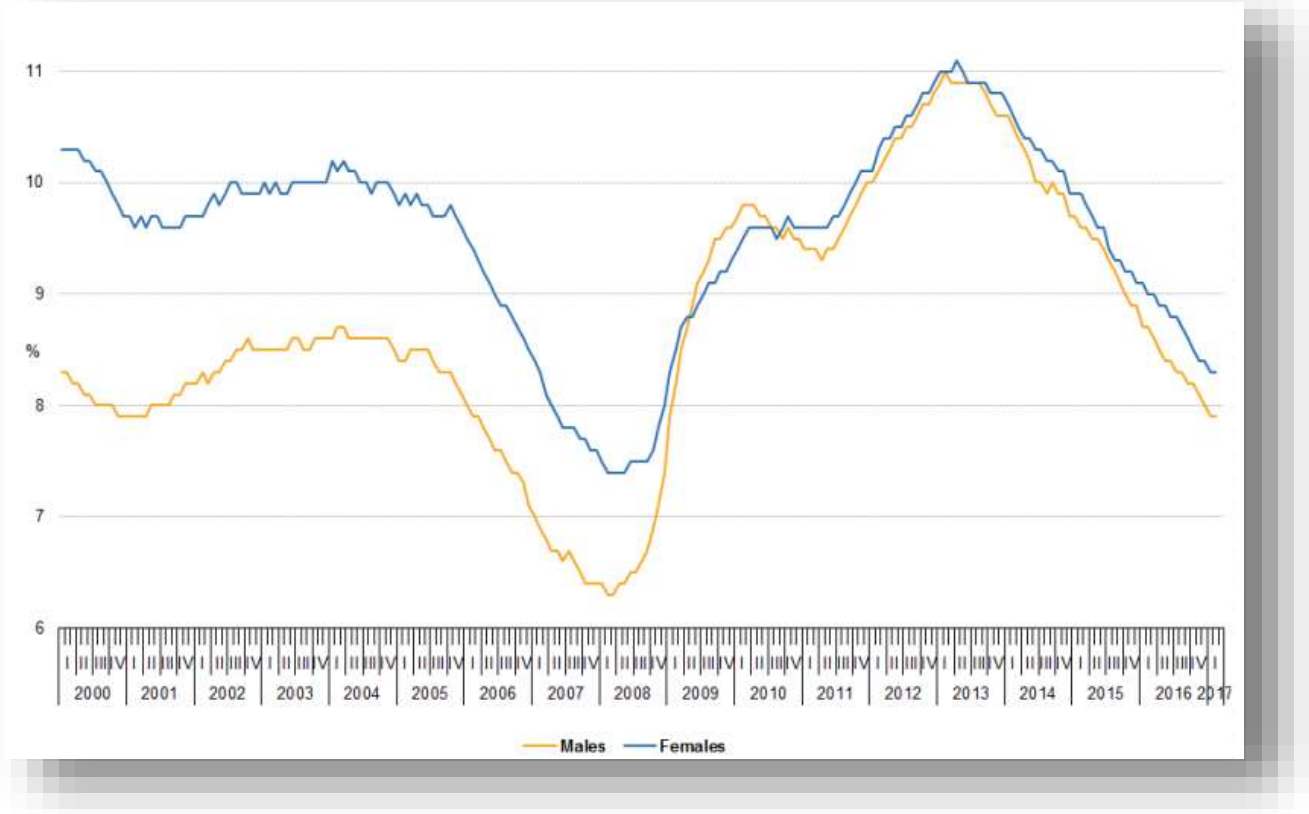


In March 2017, 3.883 million young persons (under 25) were unemployed in the EU28

Key figures about Europe economics

- **Unemployement rates by gender, EU, seasonally adjusted, January 2000 – march 2017**

- Women unemployment rate is still superior to the male rate but the gender gap tends to reduce



Key figures about Europe economics

- **Poverty among the European workers is increasing**
  - In 2014, nearly half of the unemployed people within Europe were living below poverty line
    = Over 70 millions of unemployed are below poverty line
    - *It really varies of the country: 27,4% in Denmark, 67% in Germany*
  - Part-time work is one of the main reasons for poverty increase

- **13% of old timers are considered as poor in Europe**, according to ILO standards

Key figures about Europe economics

- **Europe = a unique market for trade and work**

BUT

- **As wages are not the same everywhere in Europe, social dumping is one of the key issues**

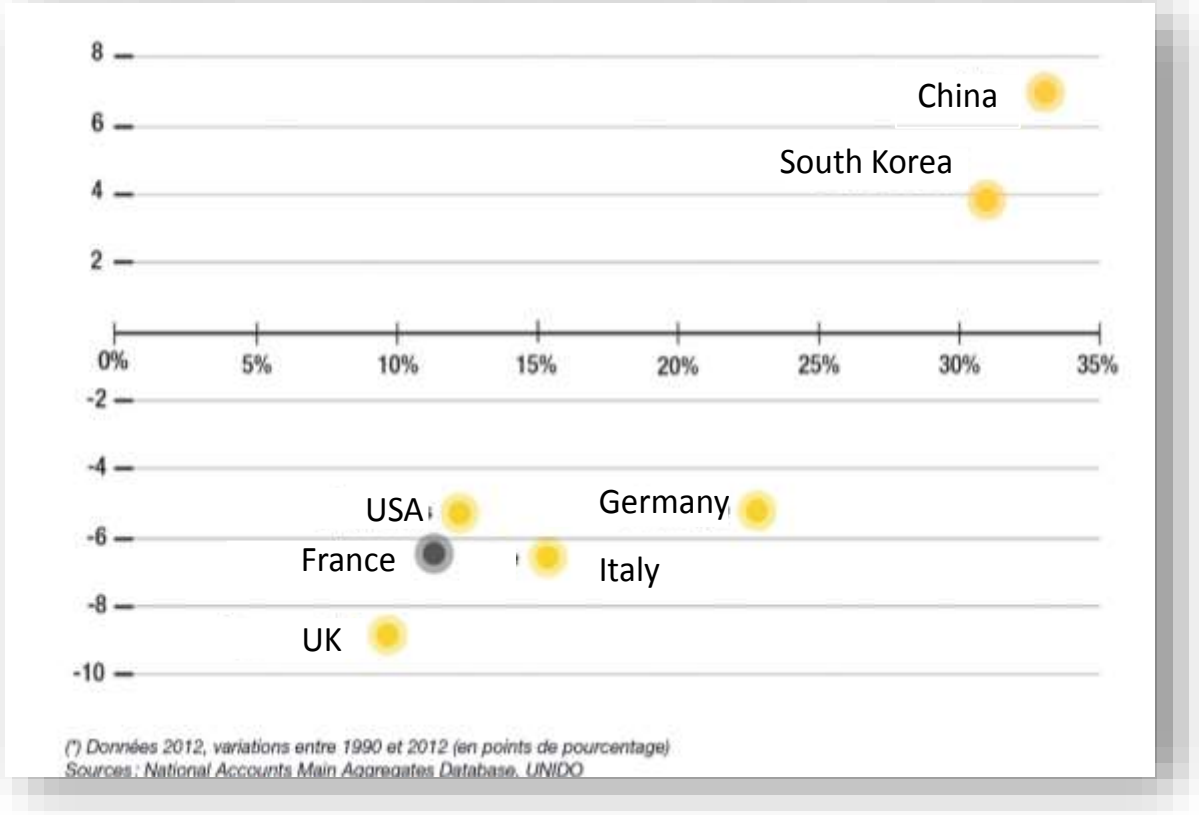
  - A new set of rules have been set up in 2014 (directive) to be applied in each country by mid 2016 in order to fight against « social dumping » and to ensure a better protection to workers that have temporary assignments in another European country
  - These rules include
    - A clarified definition of the detached workers,
    - Better information from the European states to the workers and companies about their respective rights and duties related to employment conditions
    - Reinforced controls to make sure that the rights and duties are fully respected
    - Subcontractors and the companies using the services of subcontractors are jointly responsible to apply the rights and duties

What's about the industry in Europe and in France?

- **Industry in Europe**
  - Over 250 000 jobs have been lost in ICT since 2007, out of 1,5 million

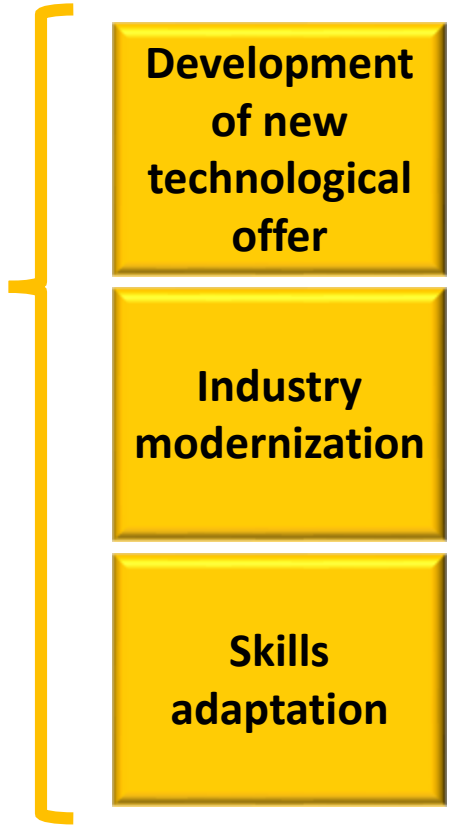
- **Industry in France, in 2016**
  - Loss of 0.8% of jobs (-24 500 jobs)
  - Increase of precarious jobs +16%

Share of industry in the GDP (level and variation)



What's about the industry in Europe and in France?

- **Transformation of the industry is seen as a MUST HAVE in Europe**
  - Countries have different approaches depending on the position of their industry
    - Buying and using solutions or producing solutions
  - Plenty of initiatives to help companies to move to Industry 4.0 concepts
    - 2400 events in France during the dedicated week to the industry (from 20th to 26th March)
    - Over 300 events in Germany during 2016
  - A large number of players in the industry are testing and implementing the Industry 4.0



What's about the industry in Europe and in France?

- **Transformation of the industry is seen as a MUST HAVE in Europe**
  - Details of specific initiatives including main objectives and budget by country

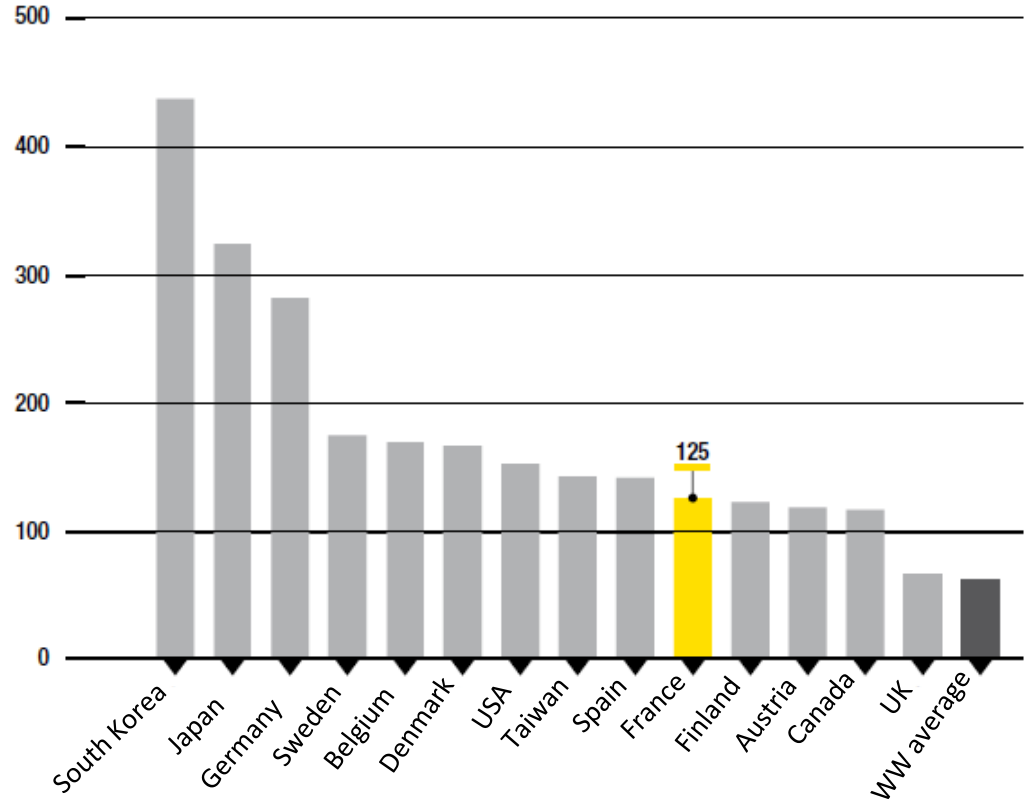
Country	Program name	Main objectives	Budget (€)
Germany	Industrie 4.0	development of a technological offer + Spread it to industries	200 millions, not included Landers fundings
UK	High Value Manufacturing Catapult	creation of a network of research centers + upgrade the workers' skills	200 millions to start, then, 70 millions per year
Italy	Cluster tecnologici nazionali: fabbrica inteligente	development of a technological offer + Spread it to industries	NA
France	Industrie du futur	modernize and digitalize the industry + develop a technological offer	2,3 billions

Country	Program name	Main objectives	Budget (€)
South Korea	Manufacturing Industry Innovation 3.0 Strategy	develop equipment goods' industry + digitalise the industry	1.5 billions
China	Made in China 2025	modernise the industry	1 100 billions
USA	National Network for Manufacturing Innovation	creation of a network of research centers	900 millions

What's about the industry in Europe and in France?

- **Deployment of robots within European industry varies a lot depending on the country**

Number of robots for 10 000 workers (2013)



Source: International Federation of Robotics

Transformation of the industry and potential risks & opportunities for the workers

- **Digitalisation has generic and specific consequences for workers**

Generic, identical to previous Industrial Revolutions

- Improves **productivity** + **reliability** of work – replaces humans (incl. highly-qualified white collar workers) with machines, improves competitiveness
- **Relieves** from tedious or dangerous work
- Impact on number + nature of **jobs**

Specific to digital technologies

- Concentrates power + wealth – creates / increases **inequalities**
- Dissolves the employment contract – creates / increases **precariousness**
- Creates conditions for mass **surveillance** of workers – but also of **coordination** by workers
- Opportunities for **traceability**: CSR, Circular Economy

Transformation of the industry and potential risks & opportunities for the workers

- **Digitalisation <u>may</u> re-shore industrial jobs + improves Health & Safety**
- **Consequences on jobs are uncertain**
  - Risk of computerisation is **higher** for:
    - Routine jobs
    - Well-specified tasks
    - Controlled environments
    - Lower levels of qualification
    - Lower wages

Typical of production in industry

A new European industrial model?

  - Risk of computerisation is **lower** for:
    - Installation & maintenance jobs
    - Engineering, R&D, software

- **Dissolution of the employment contract**
  - With digital technologies, it's easy + cheap to
    - specify the task
    - associate the task with the worker
    - sign the contract with legal value
    - control the execution of the contract
    - pay the worker

Transformation of the industry and potential risks & opportunities for the workers

- **Surveillance of workers**
  - Permanent flow of **information** + **automated analysis** on:
    - Worker performance
    - Worker behaviour
- **Concentration of power and wealth**
- **Specific risk for industry: standards, if proprietary**
- **Traceability of processes along the supply chain**
  - What operation was performed by what company? When? Where?

    => **accountability** along the supply chain, compliance with **social** & **environmental** regulation, CSR for real
  - What material is present in the product? What operations should be performed to maintain / repair / upgrade / dismantle / recycle?

    => industrialised **Circular Economy** operations

industriAll Europe supports answers at European level (1/2)

Nature of risk brought by digitalisation	Political demands by iAllE at EU scale
Negative impact on jobs	• Recommendations ICT project: jobs in **integrated digital supply chains**, incl. Circular Economy • "Coalition for digital skills & Jobs" – DG Connect should include **anticipation** of impact on **employment** • Simple & straightforward **compensation** with robots • Reflect on **working time** => share the value added
Concentration of wealth & power in the owner of proprietary communication protocols	Standards for "Industry 4.0" should be available to all under **Fair, Reasonable and Non-Discriminatory** (FRAND) conditions

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industriAll Europe supports answers at European level (2/2)

Nature of risk brought by digitalisation	Political demands by iAllE at EU scale
Concentration of wealth & power in the "owner" of data	Data available under a **non-exclusive licensing** regime
Dissolution of the employment contract	• All workers should have the **same rights**, whatever their contractual relationship to the company • **Organise** precarious workers, "crowd workers"
Surveillance of workers	• Specific legal status for **worker-related data** • Right to **disconnect**

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Trade Union key actions in Europe

- Fight for descent minimum wages
- Fight social and wages dumping
- Require an increase of wages in Europe => no more austerity politics
- Propose rules to ensure fair competition at EU and national levels
- Build proposals for industry and digitalization transformation
  - In National discussion platforms
  - in companies
- Propose direction to ease ecological and energetical transition
- Use digital **tools**:
  - Private space for trade unions in corporate Intranets
  - Social networks
  - Dedicated tools for democratic coordination
- Provide tools and train unionists

It is important to share progress!

Thank you!