



# **The Future of Shipbuilding and Promoting Sustainable Industrial Policy**

**IndustriALL Global Union**

**Shipbuilding-shipbreaking Action Group Meeting**

**31 October - 1 November 2017  
Rotterdam, Netherlands**



## **OUTLINE**

- The issues and challenges related new technology
- Union activity on sustainable industrial policy in the shipbuilding industry in the UK
- Concluding remarks

## THE ISSUES AND CHALLENGES RELATED NEW TECHNOLOGY

- Robotics and other forms of automation are becoming more common across the shipbuilding sector



- A sector strategy for automation should be developed and include

Robotics and other forms of automation are becoming more common across the shipbuilding sector.

As Unite's Shaping the Future of Manufacturing strategy revealed, the pace of change is only accelerating.

It took fifty years for the first million robots to be deployed across global manufacturing from 1961 – the second million will take only eight years.

We believe our sector must face this challenge head on. We welcome our (Unites) Organising and Leverage Department's work on this topic, particularly the creation of a template New Technology Agreement which outlines the importance of democratic oversight of the adoption of automation in the workplace. It should be our guiding principle that new forms of technology must be used to give workers' greater self-determination at work. This can only be achieved by organising to ensure automation is introduced on our terms.

A sector strategy for automation should be developed and include:

- o Identifying when and where new forms of automation are being introduced.
- o Identifying opportunities for winning New Technology Agreements across our sector.

- o Supporting the recruitment and training of New Technology Reps.
- o Evoking our rights to genuine consultation to call on employers to discuss any plans for new investment in automation.
- o Using pay claims and other negotiations with employers to extend collective bargaining over all areas concerning automation, such as re-skilling, new apprenticeships and the collection of 'big data'.

## **UNION ACTIVITY ON SUSTAINABLE INDUSTRIAL POLICY (IP) IN THE SHIPBUILDING INDUSTRY IN THE UK**

- Strategic efforts to encourage the development and growth of the Shipbuilding sector in the UK have been patchy & a little inconsistent.
- The latest effort by Sir John Parker (Chairman, National Shipbuilding Strategy) in his shipbuilding review claims to address historic issues by recommending:
  - 1) The design & specifications of Royal Navy (RN) ships must be governed to target costs within an assured budget , & inject pace to contract on time as he says, compared to other complex industries it takes too long;
  - 2) Designs must be suitable for both the RN & export;
  - 3) Ships must be built via a Regional Industrial Strategy to achieve competitive cost & reduce build cycle time (sharing work across the country's regions); &
  - 4) Maintain RN fleet #'s over next decade via urgent early build of Type 31e general purpose frigates & using this build as a pathfinder project to implement his recommendations.

- Whilst **our position** on the new National Shipbuilding Strategy, & its sustainability, is that it must mirror a Defence Industrial Strategy where:
  - 1) It must have a long-term focus; &
  - 2) It must us government procurement to build ships in the UK.
- However, the **UK Governments position** on the situation doesn't match this, as:
  - A) An MoD spokesperson recently said: "There will be an international competition to build the 'Fleet Solid Support' supply ships, which UK companies will be able to enter, with a separate UK-only competition for customisation work and trials. Noting that on 26/09/2017 an 'Industry Day' was held in Bristol as the start of a so-called 'Market Engagement Process' for a possible project to supply three 'Military Afloat Reach and Sustainability (MARS) Fleet Solid Support (FSS) Sea Going Vessels'
  - B) Whilst the MoD plans to boost a depleted RN fleet with five UK built Type 31e frigates, at a fixed cost of £250m each, it, however, is doing this via a kind of speed dating process to form alliances / consortia which may see UK companies fighting for scraps of work. The contract for the new Type 31e frigates is expected to be awarded in spring 2019, with construction beginning in the autumn.

## CONCLUDING REMARKS

- Robotics and other forms of automation are becoming more common across the shipbuilding sector & are here to stay. Thus we believe our sector must face this challenge head on via a creative & worker focused sector strategy for automation which give workers' greater self-determination at work.
- Sustainable IP in the shipbuilding sector will only be achieved if it has a long-term focus, with government procurement & exports at its heart, which sees ships being built in the UK by companies using UK suppliers from across the countries diverse regions.