



A GOVERNANCE STRUCTURE

FOR AN AMBITIOUS
EU INDUSTRIAL STRATEGY

#INDUSTRY4EUROPE

Preliminary Remarks

In the aftermath of the two previous Industry4Europe Joint Papers “*For an ambitious EU Industrial Strategy: Going further*” (October 2017) and “*Setting indicators for an ambitious EU Industrial Strategy*” (March 2018), this new Joint Paper aims at proposing a governance structure which enables the implementation of an ambitious EU Industrial Strategy, based on an informed dialogue between the industry, decision-makers at EU, national, regional and local levels and the Civil Society.

More specifically, a future Industrial Strategy governance structure should be based on the following two pillars:

1. Ensuring an informed and permanent dialogue between the industry and policy decision-makers in association with civil society stakeholders (trade unions, consumers organisations, NGOs, academia) and;
2. A structure of European Institutions which allows for an Industrial Strategy to be addressed and implemented at highest level.

With its Joint Paper “*For an ambitious EU Industrial Strategy: Going further*” (October 2017), the Industry4Europe coalition has been calling for a long-term vision for Europe’s industry which demands a long-term governance structure going beyond the 6-month EU Presidency cycle and the 5-year mandate of the current European Commission. Such a governance structure should enable the Commission, the Council and the European Parliament, together with industry stakeholders, to develop a common vision for a smart, innovative and sustainable industry. Existing policies, initiatives and tools, addressing the challenges and gaps, including those described in the Commission’s Communication “*Investing in a smart, innovative and sustainable Industry: A renewed EU Industrial Policy Strategy*” of September 2017, should be reviewed in order to develop and implement a long-term comprehensive EU Industrial Strategy as well as for monitoring its progress on a regular basis.

Ensuring an informed and permanent dialogue between industry and decision-makers

The Industry4Europe coalition acknowledges the opportunity – foreseen by the aforementioned European Commission Communication – for the business community to engage in an open and inclusive forum to cooperate and monitor progress in implementing an Industrial Strategy and its respective policies.

High-Level Industrial Roundtable

Recommendations of the High-Level Industrial Roundtable, notably based on discussions held during the Industry Day, should mirror the valuable expertise of its distinguished Members and could provide for an inspiring general debate on Europe's industry. The Roundtable can be an interesting governance tool, but its lifetime is limited (until the end of the mandate of the current Commission). Policy conclusions or directions should be based on an informed dialogue with a much wider range of interested parties, such as Member States, Members of the European Parliament, Industry, Civil Society and Regional and Local Authorities.

A regular and structured dialogue with industrial sectors

Be it in a sectoral or a cross-sectoral context, direct and structured dialogue between the EU Institutions and industrial sectors will be key to ensure the development and the successful implementation of an ambitious EU Industrial Strategy.

At a sectoral level, existing European Commission sector-specific Expert Groups have proven to be helpful since several Commission's Directorate-Generals and EU Member States representatives are reporting on their respective policies and initiatives, thereby ensuring a comprehensive and overarching policy dialogue on a regular basis. These should be maintained under the mandate of the next European Commission as they successfully contribute to the mainstreaming of EU Industrial Policy at sectoral level.

At a cross-sectoral level, representatives of industrial sectors will always remain at the disposal of all European Institutions to jointly hold altogether a regular dialogue in relation to the EU Industrial Strategy.

Thematic EU, national and regional Platforms and Fora

A further informed policy dialogue could be achieved through existing and, if needed, additional EU, national and regional Platforms and Fora providing high-level or expert level exchange of knowledge on specific topics. Those thematic Platforms already exist for some policy areas and

at different levels, be it the European Commission Business & Biodiversity Platform, the recently launched Strategic Forum for Important Projects of Common European Interest (IPCEI) or the Smart Specialization Platform on Industrial Modernisation.

Cooperation with all Public Authorities at all levels

The Industry4Europe coalition and the Committee of the Regions co-organised a Workshop on *Regions and Industry: partners for growth and jobs* during the 2018 EU Industry Day. The objective was to identify how the industry and Regions can work together to implement an EU Industrial Strategy and which policy areas are most suitable for that purpose. Some of the relevant policy areas fall indeed within the competence of either the EU, Member States, Regions or local Authorities, hence the need to address these questions at all relevant governance levels.

In this respect, it is worth underlining the important role played by clusters to enhance innovation capacities, business models and promote the cooperation among several stakeholders at regional level.

EU Industry Day

The Industry4Europe coalition notes the new role of the annual EU Industry Day while emphasising the need to establish a permanent dialogue beyond this annual event and its workshops which are only able to provide examples of challenges and innovative solutions for some sectors or regions.

The EU Industry Day should be organised well in advance to ensure the participation of all industry sectors; and it could even be extended into a “EU Industry Week” following the examples of the EU Green Week, the EU Sustainable Energy Week and the EU Raw Materials Week.

A transparent and simple application process and programme set-up are key to our industry sectors. During the 2018 Industry Days, the coalition noted with regret the high number of no-shows while several industries’ requests for simply attending were actually turned down. It would also be essential to encourage a greater participation by other representatives of all EU Institutions.

For a European Year of Industry

The Industry4Europe coalition calls on the European Commission to propose a “European Year of Industry” during which various events could be organised in Brussels and all Member States to promote the importance of industry for the future of Europe. Such events could also include visits of factories open to the public and could be accompanied by information campaigns that would aim at encouraging younger generations to work for various industries.

A structure of European Institutions which allows for an Industrial Strategy to be effectively addressed and implemented at the highest level

Beyond an annual EU Industrial Day and a High-Level Industrial Roundtable, limited to the mandate of the current Commission and only providing recommendations, a more long-term governance structure would be needed to ensure the re-industrialisation of the continent. The Industry4Europe coalition wishes to contribute by sharing forward-thinking proposals for a reformed EU Governance.

An inspiring example of governance: the REFIT model for Better Regulation

The Commission's *Regulatory Fitness and Performance (REFIT) Programme* aims at keeping EU law simple, removing unnecessary burdens and adapting existing legislation without compromising on policy objectives. To achieve this goal, the European Commission established an interesting model of governance.

The REFIT Platform, set up in May 2015, consists of two groups:

- a Government Group, with one seat per Member State;
- a Stakeholder Group made up of representatives of business, social partners and Civil Society, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR).

The Platform is chaired by Frans Timmermans, first Vice-President of the European Commission. This high-level Chairmanship is a key factor of the success of the REFIT Programme.

Beside the necessary dialogue allowed by the Platform, the Commission also implements its REFIT priority by systematically assessing the potential benefits and cost savings of each new Commission's proposal through impact assessments and Better Regulation Guidelines used by all services. The impacts of EU laws are also checked later on by retrospective evaluations.

Finally, the Commission publishes every year the REFIT scoreboard which provides a comprehensive overview of the REFIT results in each of the Commission political priorities. The scoreboard also shows how the recommendations of the REFIT Platform have been taken into account by the Commission.

Our proposal to the European Commission: using this REFIT model for Industry

The Industry4Europe coalition proposes to take the example of the successful REFIT Programme of the European Commission and its related REFIT Platform, transposing it to Industry. The objective would be to ensure that the competitiveness of the European industry is taken into account in all EU proposals so that the EU develops an innovative and smart regulative framework with a long-term perspective.

In the light of our analysis of its key success factors, the Industry4Europe coalition would recommend using the governance model of the REFIT for the EU Industrial Strategy. On the same model, this would mean:

1. Put industrial competitiveness and leadership as a top political priority of the next European Commission;
2. Appoint a Vice-President of the European Commission specifically dedicated to Industry and therefore in charge of developing and implementing the revised and longer-term EU Industrial Strategy – which we hope the next European Commission will swiftly present;
3. Launch the Commission's *EU Industrial Strategy (EUIS) Programme* with the creation of an EUIS Platform made of one representative per Member States, representatives from the European Parliament, the Council, the EESC and the CoR, as well as representatives from different industrial sectors (including clusters) and the Civil Society (trade unions, consumers organisations, NGOs, academia). The EUIS Platform would be chaired by the EC Vice-President for Industry.
4. Grant the European Commission General Secretariat to be in charge of the new EUIS programme and its Platform – as it is already coordinating cross-sectoral policies – and ask the European Commission to systematically assess the consequences on industrial competitiveness of each new Commission's proposal through impact assessments;
5. Ask the European Commission to publish an annual Report on the results of the EU Industrial Strategy touching upon all the Commission's relevant policy fields (Investment & Competitiveness, Trade, Employment & Skills, Research & Innovation, Internal Market, Energy, etc.) – on the basis of the set of indicators proposed by the Industry4Europe coalition in its Joint Paper on "*Setting indicators for an ambitious EU Industrial Strategy*" (March 2018).

The key role of the European Council and the Competitiveness Council for monitoring and implementing the EU Industrial Strategy

Back in 2014, the European Council had already stressed the need to take into account industrial competitiveness concerns across all areas of EU policy or, in other words, to mainstream competitiveness. The Industry4Europe coalition supports the EU Council in its conviction that industrial competitiveness should be systematically mainstreamed across all EU policy areas.

In this respect, the Industry4Europe coalition finds particularly interesting and still relevant many of the conclusions of the Presidency Report on mainstreaming competitiveness that the Luxembourg Presidency presented at the Competitiveness Council of 30 November 2015. According to this Report:

- “high priority should be given to further promoting an integrated approach to competitiveness within the Competitiveness Council and between Council formations”;
- the “Competitiveness Council should further develop the Competitiveness Check-up as a monitoring tool for competitiveness mainstreaming”.

Towards this direction, the role of the Council Working Party on Competitiveness and Growth, in all of its formations, is pivotal. The Industry4Europe coalition emphasizes the importance of pursuing more frequent COMPCRO Working Party meetings in addition to more joint Working Parties with other Council Working Parties (in particular those on Environment, Energy and Trade) to discuss proposals having competitiveness implications for the European industry.

While industrial competitiveness is usually being discussed during one to two formal Competitiveness Council Meetings and one Informal Ministerial Meeting during each Presidency, the Industry4Europe coalition would welcome to increase the number of Council meetings, with more focused agendas, in order to allow more effective mainstreaming of the EU Industrial Policy across all Council formations’ legislative activities. Joint Informal Ministerial Meetings could also be regularly organised to bring together Ministers in charge of Industry with Ministers in charge of policies impacting industrial competitiveness (be it Research & Innovation, Trade, Environment or Energy).

The Competitiveness Check-up could be the occasion for the Ministers to systematically organise the hearing of a high-level business leader from an industrial sector who would be invited to briefly present the situation in her/his industry and the main challenges of her/his industrial sector so as to better comprehend the diversity of industry.

Beside this hearing of a different industrial sector every time, the Competitiveness Council would also be the place and time where the European Commission’s Vice-President for Industry would present once a year her/his Report on the state of implementation and the results of the EU Industrial Strategy.

The High-Level Group on Competitiveness and Growth should continue to be involved in the preparation and further analysis of mainstreaming issues, and it should continue to monitor the implementation of Council Conclusions – keeping in mind that each Member States would also have a seat within the new EUIS Platform.

To highlight the importance of the EU Industrial Policy Strategy, the Heads of States and Governments could, based on the input of the Competitiveness Council, review every year at the March European Council the progress made and provide input for new policy goals regarding jobs, growth, industrial competitiveness.

Putting the European Parliament at the centre of the EU Industrial Strategy monitoring

The European Parliament's Industry, Research and Energy (ITRE) Committee which is responsible for the EU Industrial Policy should continue to systematically use its right to provide an opinion to a lead Committee, to ask for an associated Committee procedure or joint procedure to allow mainstreaming of the EU Industrial Policy in EU fields of competence that are not at the core of its activities but relevant for EU industry. Especially relevant would be the cooperation with INTA (International trade), IMCO (Internal market), EMPL/CULT (Employment and skills) or ENVI (Environment) Committees to ensure the mainstreaming of EU industrial policies across all relevant parliamentary Committees.

Be it inside or outside the framework of discussions on a legislative or non-legislative Report, the meetings of the ITRE Committee could be the occasion for the MEPs to systematically organise the hearing of a high-level business leader from an industrial sector. She or he would be invited to briefly present the situation in her/his industry and the main challenges of her/his industrial sector especially in an ever-shifting global context where long-term perspective is needed but also timely reaction to changes of situation.

Beside its traditional legislative role and the organisation of hearings, the ITRE Committee would also be a place where the European Commission's Vice-President for Industry would present once a year her/his annual Report on the state of implementation and the results of the EU Industrial Strategy.

For the next legislature, the Industry4Europe coalition would welcome the creation of a new parliamentary Intergroup on Industrial Competitiveness which would bring together MEPs from all Committees who are personally interested in industrial competitiveness. This Intergroup would also be a forum for MEPs to organise special hearings touching upon various industrial sectors.

Exploiting the full potential of EU official Consultative Bodies

The European Economic and Social Committee (EESC) and the European Committee of the Regions (CoR) – thanks to their composition encompassing all the relevant actors – regularly adopt comprehensive and interesting Opinions in relation to industrial competitiveness. During the next institutional cycle, it will be important for the European Commission, the Council and the European Parliament to exploit the full potential of these two EU official Consultative Bodies when it comes to providing valuable expertise on industrial topics. Both the EESC and the CoR would be represented within the EUIS Platform.



List of Signatories





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This Joint Paper has been co-signed by 122 industrial Associations – representing the wide variety of manufacturing sectors in Europe – brought together in the framework of the Industry4Europe coalition. The logos of the Signatories can be found on pages 12, 13 and 14.



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