

## **EANPC Contribution to the Commission of the European Communities Working Document Consultation on the Future “EU 2020” Strategy**

EANPC, the European Association of National Productivity Centres, is pleased to respond to the request for comment on the ideas outlined in the Commission Working Document COM (2009)647 final, Brussels, 24.11.2009.

EANPC was established in 1966 and is headquartered in Brussels. It is an association of national bi- and tripartite bodies which contribute, each in its own country, to the enhancement of productivity, innovation, the quality of working life and employment within companies and the economy overall. Its member organisations represent Austria, Belgium, Cyprus, the Czech Republic, Finland, France, Germany, Italy, the Netherlands, Romania, the Slovak Republic, Turkiye, and the United Kingdom. Through its support of productivity enhancement, the EANPC and its national member organisations contribute to improving living and working conditions and to economic and social development, on national and international levels, in the interest of fair competition. Since productivity is the only way of increasing the ‘size of the cake’ (rather than re-distributing it), it is essential that future prosperity and well-being is build on a sound foundation of increased productivity.

The organisation operates mainly by facilitating and increasing exchanges of information and experiences, and by arranging co-operation amongst the member organisations. Some important examples of EANPC’s activities are the publication of the EANPC Productivity Memorandum, hosting (since 2006) the European Productivity Conferences and the creation of an e-training programme on productivity to be offered Europe-wide.

### **Comments on the Commission Working Paper**

The Commission states basically that in order to exit from the current economical and financial crisis we need *a new sustainable social market economy, a smarter, greener economy, where our prosperity will come from innovation and from using resources better, and where the key input will be knowledge* (p. 2 of the Commission Working Document). *In developing a new vision and direction for EU policy, we need to recognise that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity will be the key drivers of the future competitiveness of our industry and our economies* (p. 3).

We firmly support this statement that is in full accordance with our position outlined in the EANPC Productivity Memorandum:

- The EANPC and its members strive to pursue a “holistic concept” of productivity. The input factors of productivity cover not only the volume of labour but the quality and quantity of *all resources - including the natural, infrastructural and organisational resources* - which enterprises use to achieve their results.
- On the output side we mention that outputs not only include products and services but also the *social and ecological impacts* of the production processes. Thus outputs can be positive (mainly) but also negative.
- A broad approach is also needed for recording the results of performance. It is not just figures for turnover, profits and yields which are important, but also the *societal benefits* of the results from the performance processes, including the benefits for employment, improving working conditions and sustainable development within a shrinking world.
- Thus, productivity is not to be seen only as a statistical ratio, but also as an important contributing factor to value creation by making continuously better use of resources to contribute to *sustainable growth, innovation and employment*.

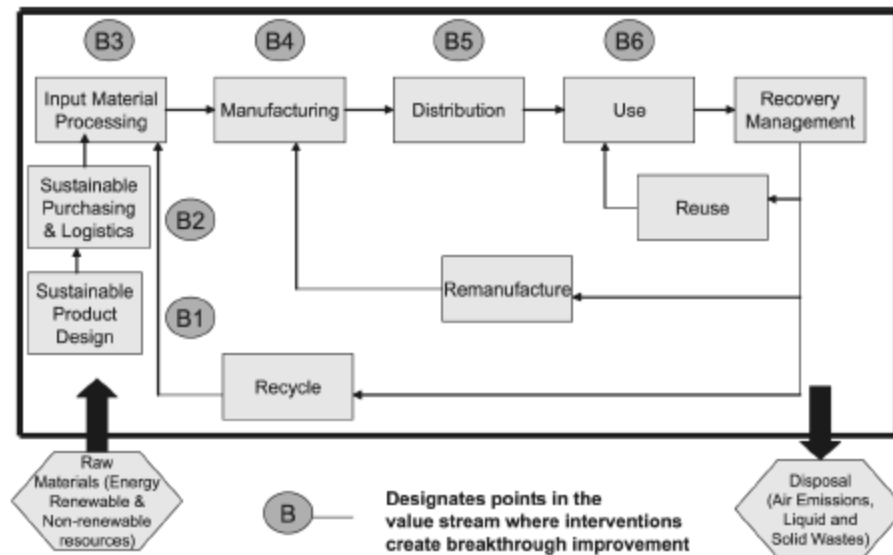
## 1 Challenges

With special regard to the working document priority “*Creating a competitive, connected and greener economy*” we emphasize that sustainable growth implies the creation and equitable distribution of wealth that results from improved productivity and will improve the standard of living.

The first step towards a *greener economy* will be made by enterprises taking into consideration the impact of their operations on the external system - community, region, nation. To give an example for manufacturing companies figure 1 indicates the intervention points - from design to use and reuse of products - for a strategic environmental performance.

We must, however, enlarge the green productivity model by linking it to economic and social productivity. This SEE productivity paradigm (social, economic, environmental productivity) seems to be more appropriate in the 21<sup>st</sup> century than the traditional productivity model. It recognises that to be truly sustainable, organisational and national activity must be environmentally bearable, socially equitable and economically viable.

**Figure 1:** Breakthrough life cycle model for strategic environmental performance in a product-oriented value stream



**Source:** Tuttle & Heap 2007, p. 103, adapted from Woodrow Wilson Center, Project on Emerging Nanotechnologies

Thus, sustainable strategies at the enterprise level should stress the need to add environmental value and social value alongside economic value. Such strategies might address all of organizational flexibility, product and service quality, greater individual autonomy, elimination of repetitive jobs, workers' skills, close management-labour cooperation, R&D, reduced bureaucracy, occupational health and safety, customer and stakeholder orientation, market-driven product and services development, process innovation and energy-efficient production.

Sustainable productivity is not only a factor for EU and its Member States to compete more effectively but also contributes, through its wealth creating capacities, as an enabling power to the other priorities - *Creating value by basing growth on knowledge and Empowering people in inclusive societies.*

## 2 Making Sustainable Productivity Happen

At the time being the sustainable (or SEE) productivity model is not an operative tool, more a framework for thought and discussion. To further elaborate and to disseminate this concept we suggest a broader plan to contribute to the aims pointed out in the Commission "EU 2020" Strategy Working Document. To make productivity a major theme in EU competitiveness debates we propose a *long-term EU-level productivity programme* which covers practical (dissemination and

utilisation) as well as research activity. Moreover it should stimulate political debate on productivity development.

*I Improving and strengthening existing EU-level productivity networks*

- Include all productivity organisations, on EU and national levels, in EU-level development work.
- Promote cooperation among productivity experts in order to systematically and flexibly utilise productivity knowledge.
- Continue and strengthen the cooperation between EANPC and EU OSHA, the European Agency for Safety and Health at Work.
- Develop the cooperation between EANPC and Eurofound, the European Foundation for the Improvement of Living and Working Conditions.

*II Strengthening the discussion of European productivity*

- Establish and support (annual or bi-annual) European Productivity Conferences (EPC) as part of the European productivity networks' operations.
- Strengthen EPC's visibility as a meeting forum for discussing productivity.

*III Establishing a European research programme for productivity*

- Elaborate and disseminate the SEE productivity model. As productivity is an item that can only be covered by an interdisciplinary approach, a co-ordinating body is required.
- Continue the research efforts of ECOSH, the programme for Economic Dimension of Occupational Safety and Health within the Seventh framework programme.
- The research programme should both consolidate current productivity research and create the conditions for new research.
- Research must also tackle the dissemination problem.
- Explore existing and propose new funding sources for productivity research.

In order to establish a European-level productivity programme we propose a two-phase approach:

*First*, a project plan should be drawn up scheduling productivity experts/organisations in each EU member state by

- creating a steering group;
- co-ordinating productivity research on national and EU-level;
- implementing measures at the national level.

*Second*: Based on the project plan including project cost mainly for personnel resources and travel expenses, the responsible EU Commission unit decides on implementing and funding the proposed productivity programme.

### 3. Recognising opportunities

The 'greening' of Europe is necessary as Europe's contribution to global sustainability - but it also offers a major opportunity. If Europe can exercise leadership in the political and economic aspects of 'environmentalism' there are great opportunities to export knowledge and technology. Europe has proved itself to be an innovator in some aspects of alternative energy and sustainability and such innovation must be further encouraged.

Innovation is both a macro and micro issue, and there is a need to examine the infrastructure of/for innovation - research policies and processes, IPR issues, protectionism - and to add innovation to the education agenda, at school and college levels.

The aim for 2020 is more jobs, higher employment rates of the working age population, better jobs, with higher quality and increased productivity needs a stronger interaction between both research and praxis in the areas for productivity and quality of working life, including also the occupational safety and health area.

Signed by the members of the EANPC Management Board, on 13<sup>th</sup> of January 2010.

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