Industry 5.0: why should workers care?

Bridge 5.0 Webinar

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Aurora Rossi
Policy Advisor

industriall-europe.eu

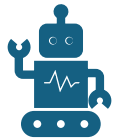
Industry 5.0

WHAT IS IT

BENEFITS FOR WORKERS

RISKS FOR WORKERS

OUR DEMANDS



Industry 5.0

Industry 5.0 is an industrial policy concept in which industry is the driving force for systemic transformation towards a more sustainable, circular, resilient and human-centred economy

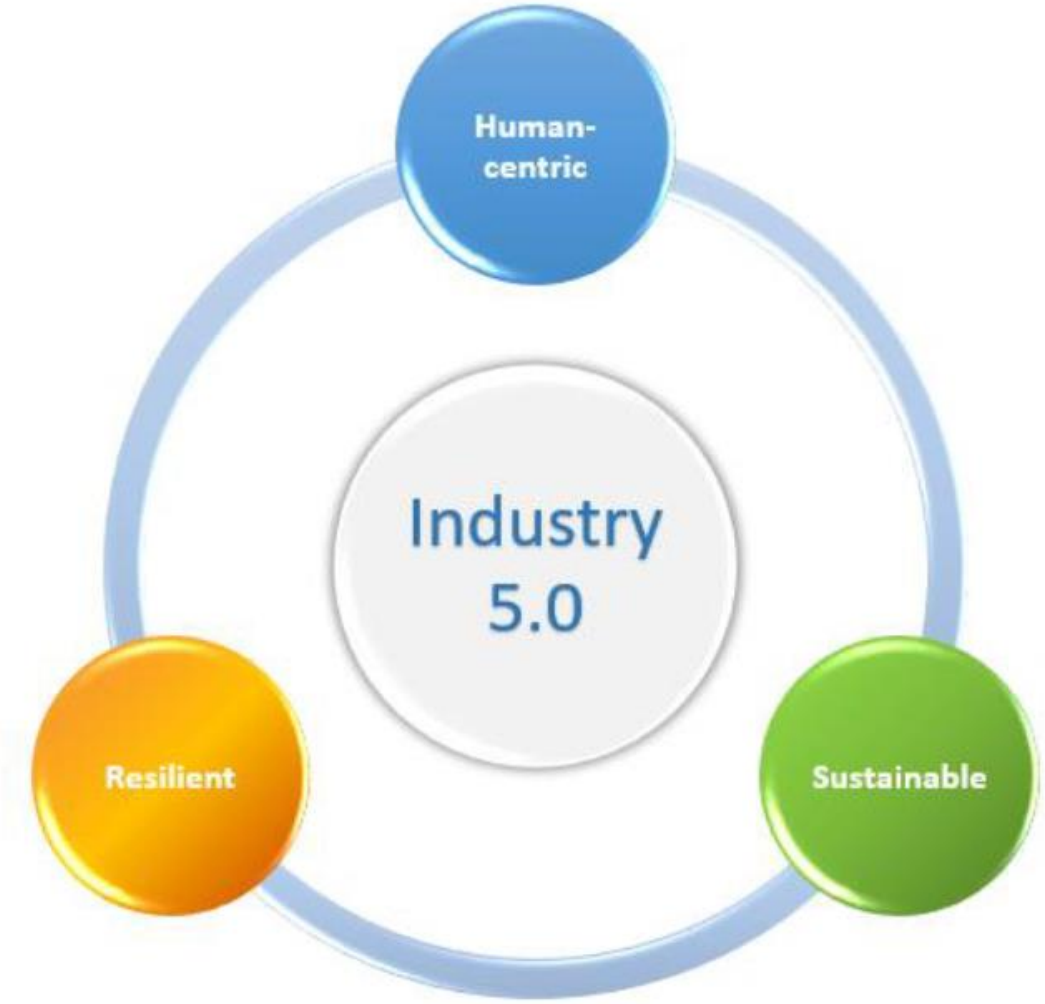
One of the primary criticisms industriAll Europe has regarding the European Industrial Policy is its insufficient focus on the **social aspect**. We are currently witnessing a profound transformation of the industrial landscape driven by the green and digital transitions.

→ Recognising that the primary actors affected by this transformation are the workers themselves is essential.

→ Any policy addressing this industrial shift must consider the world of work and prioritise the well-being of workers.

Industry 5.0 represents an important development with the potential to have a deep impact on business processes and industrial relations. IndustriAll Europe supports this vision in the context of sustainability and digitalisation transition.

The essence of Industry 5.0 lies in the shift "*from efficiency to resilience*", which would serve as a crucial link between society and industry.



Human-centric pillar
Resilient pillar
Sustainable pillar

Industry 5.0 human-centric

Human-centric pillar

- **Workers role**: ‘indispensable resources' for the company.
- The goal is to **empower and engage workers** within a connected industrial environment.
- **Skills dimension** represents a crucial dimension.

Benefit

- It emphasizes the importance of **anticipating and adapting to change** proactively.
- Industry 5.0 aims to combine the efficiency of digital technologies with the creativity, skills and capabilities of workers
- By reinforcing the role and contribution of industry to society, Industry 5.0 can bring the **social dimension** to the twin transition.

Risks

- polarisation
- growing numbers of platform workers
- advanced surveillance and monitoring of workers
- reduced autonomy of workers

Our demands

Digital technologies should **respect fundamental workers' rights**, like autonomy, privacy, decent working conditions. For industriAll Europe, human-centrism means that technologies should be adapted to the needs of workers and not vice versa.

IndustriAll Europe calls for **improving workers' rights to information, consultation and participation,** together with a stronger focus on the twin green and digital transition at company and value chain/sectoral level.

Investment in upskilling and reskilling the workforce, with tailor-made solutions for workers who cannot be re-trained.

increasing the **digital literacy** of workers at all levels and by regulating the digital 'precariat' (the gig workers on the digital platforms

Industry 5.0 Resilience

Resilience pillar

- Resilience strategies in value chains include diversification and shortening of supply chains.
- It focuses on ensuring the **ability of businesses and workers to adapt**, withstand and recover from disruptions, challenges, and uncertainties.
- Creating a robust industrial system that not only remains within planetary boundaries, but which **also remains functioning** when confronted with unexpected challenges and disruptions.

Benefit

- The **resilient approach** prioritises **regeneration, re-use, re-manufacture and circular economic practices within the economic model**.
- Industry 5.0 and **due diligence** are linked by their common goals of promoting safety, compliance and accountability within organisations
- Needs for new business models: **going beyond growth.**

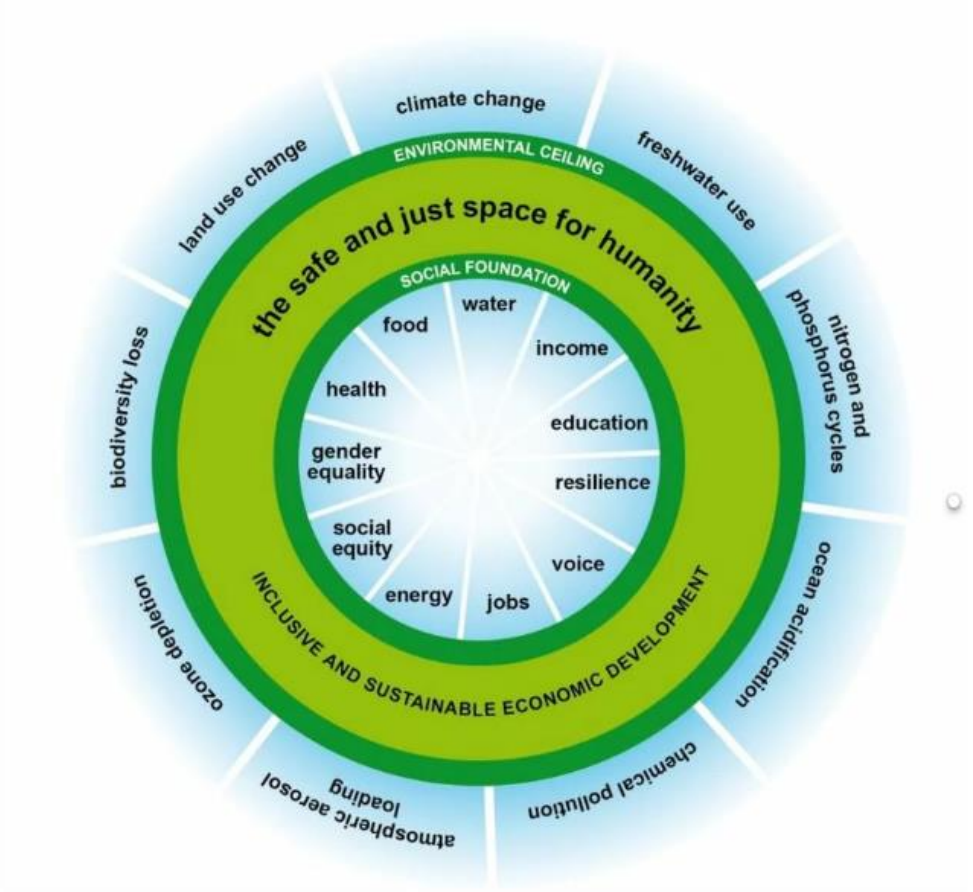
Risks

- The drive towards resilience could indeed imply **reshoring of activities** and thus bring back jobs lost because of the globalisation of our economies.
- In pursuit of resilience, some companies may also implement measures such as automation, digitisation, and restructuring, to enhance efficiency and flexibility. While these initiatives can improve business resilience, they may also result **in job displacement or changes in job roles, especially for workers whose roles are susceptible to automation**.

Resilience Pillar: new economic model

The discourse surrounding the need for new business models goes beyond the concept of economic growth. The notion of going **beyond growth** seeks to redirect policymaking towards achieving just economic, social, and environmental objectives, rather than treating growth as the ultimate goal.

- One example of a regenerative economic model is the concept of "***Doughnut Economics***".



Our demands

- **Due diligence**, in accordance with international and European labour standards and social dialogue in all parts of the circular economy, needs to be ensured.
- We call for **transparency** from companies regarding their business practices, supply chains, and environmental and social impacts..
- Investments in the re-shoring of activities, workers must receive adequate support.
- Companies, when confronted with disruption, make the most of the available collective intelligence of workers (apply the principle of human-centrism).

Industry 5.0 Sustainability

Sustainable pillar

The recent European ambition to reach the 2030 targets needs an ambitious industrial and **social plan**

The sustainable approach has at its core a **circular economy**. A regenerative, circular economy presents opportunities for more distributed, diverse, and inclusive industrial models, emphasizing the use of renewable energy and circular value chains.

Sustainability is integral to Industry 5.0's vision of creating a manufacturing industry environmentally friendly and socially responsible.

Risks

Implementing sustainable practices often requires **significant investments**.

A big risk linked to circularity and sustainability is the practice of **greenwashing** that companies can apply.

relocation and outsourcing of activities to regions outside the EU with less stringent regulatory requirements.

Our demands

The shift to a more sustainable economy has to be strongly integrated into the industrial policy, at European, national and regional levels.

Environmental policies must also have a strong social dimension which identifies the impacts on the quantity and quality of jobs, involvement of social partners, strong skills anticipation and programmes, health and safety at work and on the population.

Companies should take **responsibility for the entire lifecycle** of their products, from design and production to end-of-life disposal.

Corporate Social Responsibility must become an effective tool to take proper account of social, environmental and general interest concerns as part of a company's 'licence to operate'.

Industries must commit rapidly to make sustainable products the norm, and an extension of the producer's responsibility must be envisaged.

Industry 5.0 and Industrial Policy

- A key aspect of **industrial policy** lies in its role to facilitate continuous adaptation within the economy. This entails embracing digital transformation, but also going beyond and including the workers in the innovation processes. As such, **industrial policy should take into account the broader societal implications** of technological change, including potential disruptions to employment and social inequalities.
- In essence, Industry 5.0 should provide the necessary framework for industrial policy to drive innovation, share benefits, and ensure that no one is left behind.
- The transition to Industry 5.0 carries with it significant risks and challenges that need to be addressed to ensure its successful implementation and alignment with broader societal goals.
    1. current lack of widespread awareness and debate surrounding Industry 5.0
    2. companies play a significant role in shaping the trajectory of Industry 5.0. However, there is a risk that companies may prioritise short-term profits over long-term sustainability and societal well-being.

Conclusion

- The comprehensive transformation necessary to unlock the complete potential of Industry 5.0 is fundamentally horizontal. It signifies a departure from traditional linear models towards circular, restorative and regenerative practices, aligning Industry 5.0 with sustainable, human-centric and resilient principles.

- Industry 5.0 is a revolutionary concept and far removed from the traditional economic model. Industry 5.0 displays a way of framing how European industry and emerging societal trends and needs will co-exist.

Thank you!

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