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Our *production models* faced with the challenges of transformation: *what challenges* lie ahead?

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American protectionism, summit for action on Artificial Intelligence, Draghi report, new compass for European competitiveness, Munich Security Conference, etc. This intense international news has come to impact our EESC opinion on **our production models in the face of the major challenges of today and tomorrow: ecological transition, technological and digital transition, France's strategic autonomy and reindustrialisation.**

These issues raise the question of the adaptation and transformation of our production models: what levers can be used to ensure the sustainable and competitive production of our goods and services, consistent with the model of society to which we aspire?

To answer this question, **France has many strengths tinged with vulnerabilities:** quality infrastructure (roads, railways, telecommunications) that constantly requires maintenance and modernisation; abundant but expensive carbon-free energy; high norms and standards that weigh on our competitiveness vis-à-vis imports subject to less strict rules; major international champions in many sectors (agri-food, luxury goods, aeronautics, energy, telecommunications, automotive, etc.); a myriad of SMEs and VSEs that must make the leap to Industry 4.0; dynamic regions and a strong international appeal, but in decline.

In addition, **several structural weaknesses remain to be resolved:** underinvestment in production tools; insufficient Research and Development (R&D) efforts, with a lack of cutting-edge technologies and breakthrough innovations; a shortage of skills in industry and difficulties in recruiting immediately qualified profiles; administrative complexity and red tape hindering the transformation and competitiveness of companies; an energy challenge in terms of both our dependence on fossil fuels and the delayed deployment of renewable energies and the high cost of electricity; competitiveness at half-mast, as a result of multiple factors.

Finally, this opinion is enriched by prospective insights for 2040 prepared by Futuribles.

Industry
in 3 figure

10%
of GDP

50%
of the deficit trade¹

75%
of R&D

¹ Excluding energy and military equipment.

Five axes for transforming our production models

1 STRENGTHENING OUR INDUSTRIAL STRATEGY: PRIORITISATION, GOVERNANCE, SUSTAINABILITY

How?

- **By organising Industry and Innovation Conferences with all stakeholders**
- **By improving industrial governance**, through a strengthening of the role and representation of the National Industry Council (responsible for advising the public authorities on industrial issues in France) and the Strategic Industry Committees (SICs) that implement public industrial policies
- **By generalising more agile project methods**, such as ARPA, on priority axes and strengthened skill ecosystems (businesses, researchers, schools, public bodies)
- **By ensuring that public funding granted for the development of economic and productive activities is compatible with respect for planetary boundaries**

2 SUPPORTING THE VITALITY OF OUR TERRITORIES

How?

- **By attracting private savings to finance strategic economic projects**, with, for example, the creation of an **Industry Savings Booklet**
- **By strengthening the role of the regions in economic and financial matters**, by allowing them to manage programs for financing and supporting SMEs and mid-caps in correlation with the strategic priorities of the State
- **By redeveloping brownfield sites**

3 SUPPORTING INNOVATION AND BUSINESS SUPPORT

How?

- **By providing more support to SMEs in their digital and ecological transition**, by simplifying their administrative procedures to make it easier for them to obtain aid and funding
- **By improving the effectiveness of the research tax credit (CIR)**, in particular to give VSEs/SMEs/ETIs greater access to it and to ensure that the associated research is more closely linked to national strategic priorities
- **By establishing a more equitable competitive field** through the effective implementation of mirror clauses in all EU trade agreements
- **By enabling public procurement to favor global cost approaches, prioritising quality** (social and environmental performance, etc.) over price

4 ATTRACT, EDUCATE, TRAIN

How?

- **By increasing the appeal of industrial professions** through communication campaigns and by facilitating internships and training periods in industrial companies
- **By fostering an interest in science and technology**, through the reintroduction of technology in Year 7

5 STRENGTHENING THE DYNAMIC OF SOCIAL DIALOGUE

How?

- **By strengthening the role of employee directors** in defining the strategic direction of companies and in ensuring that greater account is taken of social and environmental issues
- **By drawing up agreements at the level of sectors and companies** that highlight environmental and transformation issues so that they are systematically addressed in negotiations

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