

European participation as a driving force for innovation

Transnational social innovation processes (TSIPs) as an option for the European Union and EWCs

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International Workshop 2012

Technological Change and Innovation in Energy and Green Technology as a Topic of EWC

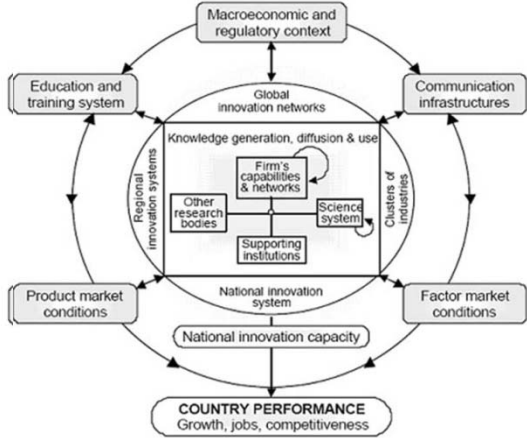
1. Despite of programmatic statements the EU is not yet the ‘tiger’ of innovation and knowledge society – transnational social innovation processes (TSIPs) are needed.
2. The most important actors and drivers of such a vision will not be new big innovation agencies, but emerging networks of organizations and civil society.
3. Workers’ participation at European level – especially European Works Councils (EWCs) – could be important drivers of transnational social innovation processes (TSIPs).
4. There already exist some examples of how transnational social innovation processes (TSIPs) could be fuelled by workers’ participation.
5. Despite positive examples and fundamental possibilities the actual obstacles of transnational social innovation processes (TSIPs) have to be taken into account.
6. Transnational cooperation structures, cross-cultural competencies and blended cooperation networks help to overcome these challenges.

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WIRE
WEEK OF INNOVATIVE REGIONS IN EUROPE 2011

From National Innovation Systems to Globally Connected Clusters

Traditional Model



Emerging Model



Source: OECD (1999)

Christian Ketels (Harvard Business School): Innovation Infrastructure, Competitiveness, and Clusters: How to Translate Knowledge into Prosperity? <http://www.wire2011.eu/presentation/list>

1. Despite of programmatic statements the EU is not yet the ‘tiger’ of innovation and knowledge society – transnational social innovation processes (TSIPs) are needed.

An example of reactive transnational efforts:

European Globalisation Adjustment Fund (EGF): set up by the EU in late 2006

- to support workers having been made redundant as a result of trade liberalization
- either remaining in employment or finding new jobs
- applications are made by Member States, funding co-shared with the EU/EC
- 01/2007-05/2011: 77 applications received from 19 Member States
- spent over 350 million euros to help around 77,000 workers to find new jobs

Table 3.2 EGF applications and contributions, 2007–2011

	2007	2008	2009	2010	2011 (as of May)	Total
Number of applications	8	5	29	31	4	77
EGF amount (million euros)	51.8	20.6	132.9	137.9	14.8	357.9
Number of targeted workers	10 679	5 435	28 909	29 507	2 450	76 980
Average EGF per person (euros)	4 847	3 795	4 596	4 672	6 053	4 650

ILO/IILS (INTERNATIONAL LABOUR ORGANIZATION/INTERNATIONAL INSTITUTE FOR LABOUR STUDIES) 2011: TOWARDS A GREENER ECONOMY: THE SOCIAL DIMENSIONS. Geneva: ILO, p. 56

1. Despite of programmatic statements the EU is not yet the 'tiger' of innovation and knowledge society – transnational social innovation processes (TSIPs) are needed.

In the 21st century innovation processes are:

- not linear processes but circular and network processes,
- not organizationally or nationally limited but transnational,
- shifting boundaries of production and consumption, material and symbolic.

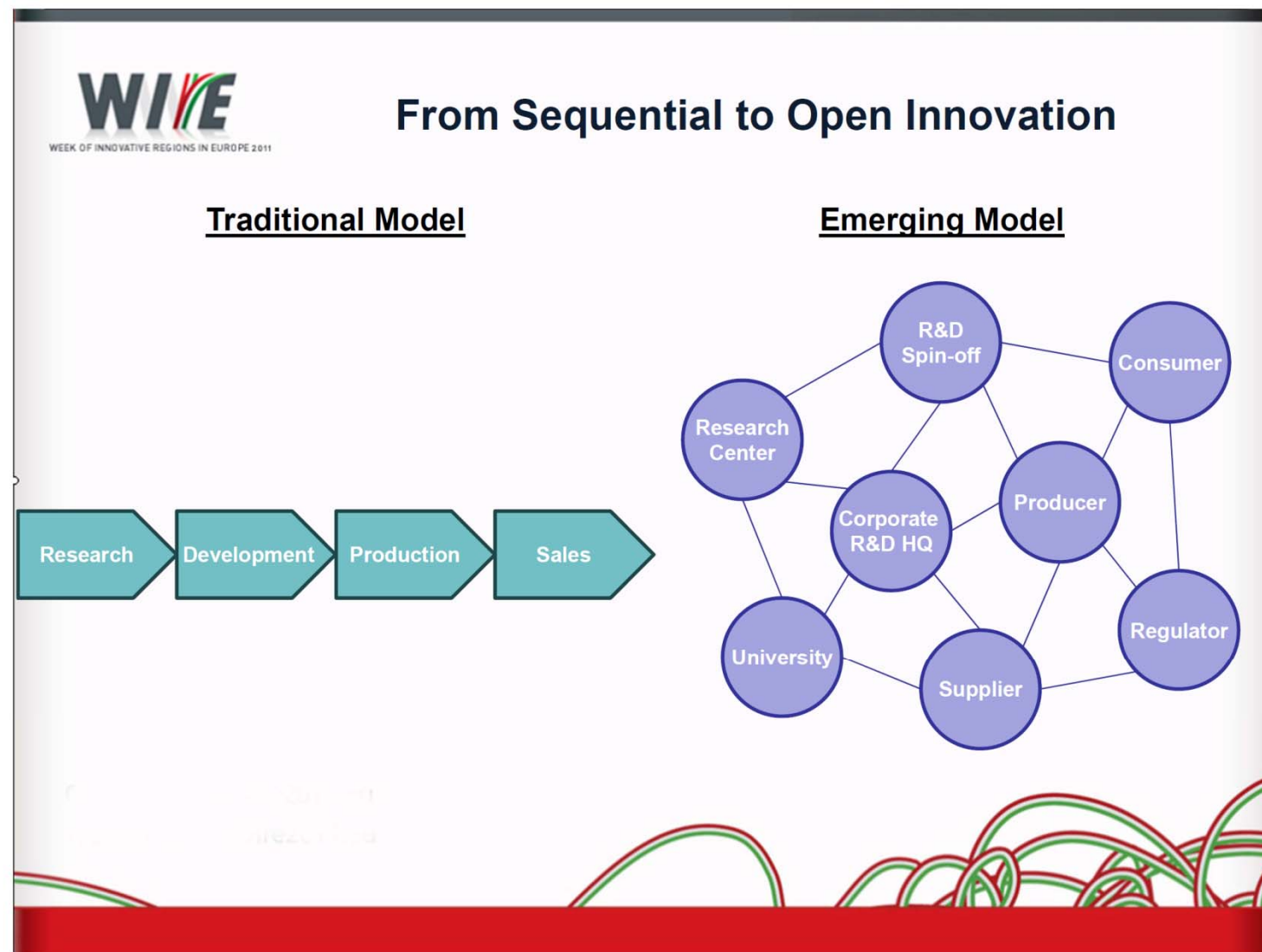
3 dimensions of social innovation:

- “• **Satisfaction of human needs** that are not currently satisfied, either because 'not yet' or because 'no longer' perceived as important by either the market or the state (...)
- Chances in social relations, especially with regard to governance, that enable the above satisfaction, but also **increase the level of participation of all** but especially deprived groups in society
- **Increasing the socio-political capability and access to resources** needed to enhance rights to satisfaction of human needs and participation empowerment dimension)”

(Moulaert et al. 2005, p. 1976, cited in Howaldt, Jürgen/Schwarz, Michael, 2010: Social Innovation: Concepts, research fields and international trends, Dortmund: sfs, p. 24, download:

<http://www.sfs-dortmund.de/v2/rubriken/publikationen/datenbanksuche/index.php?Id=1289t>).

2. The most important actors and drivers of such a vision will not be new big innovation agencies, but emerging networks of organizations and civil society.



Unions?
EWCs?

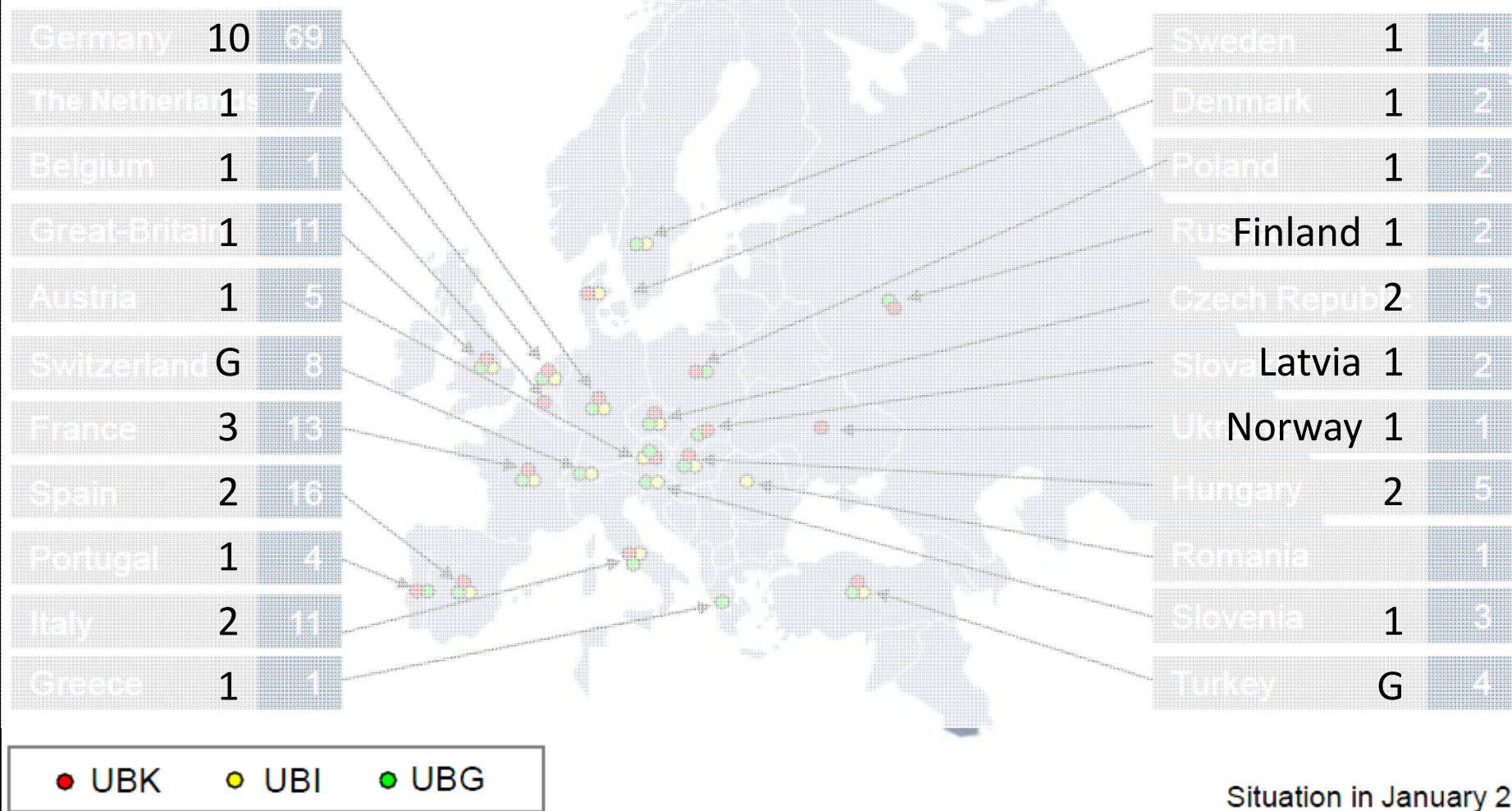
Christian Ketels (Harvard Business School): Innovation Infrastructure, Competitiveness, and Clusters: How to Translate Knowledge into Prosperity? <http://www.wire2011.eu/presentation/list>

3. Workers' participation at European level – especially European Works Councils (EWCs) – could be important drivers of transnational innovation processes.

The Bosch Group in Europe

177 Production sites in E

EWC: 36 members from 21 countr. incl. Switzerland and Turkey as guests



Situation in January 2010

Source: Hoffmann 2010

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- 1st Bosch plant in UK/906 employees
Production of alternators
2006-2009: 54 Mio.€ investment
- Bosch company
losses 2008-2010 (15/ 18%)



Consequences for Cardiff plant:

- Sept. 2009: first redundancies (320 agency staff and 284 Bosch contracted empl-)
- October 2009: initiation “collective consultation process on redundancies or plant closure”, 90 days consultation process with trade union, management and representatives of the local politics considering 2 options (laying 300 jobs off and continuing with a smaller operation **or** closing the Cardiff plant in case if no other alternative “commercially-viable new business” to be found)
- January 14th 2010: announcement of closure till mid 2011, phase out of the current production and transfer of the plant equipment to Hungary

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The Vénissieux plant

Automotive Technology: *Diesel Systems*

- Production of common-rail diesel injection pumps (PSA)
- 620 employees

Industrial Technology (Bosch Rexroth):
Electric Drives and Controls, hydraulic components for mobile machinery



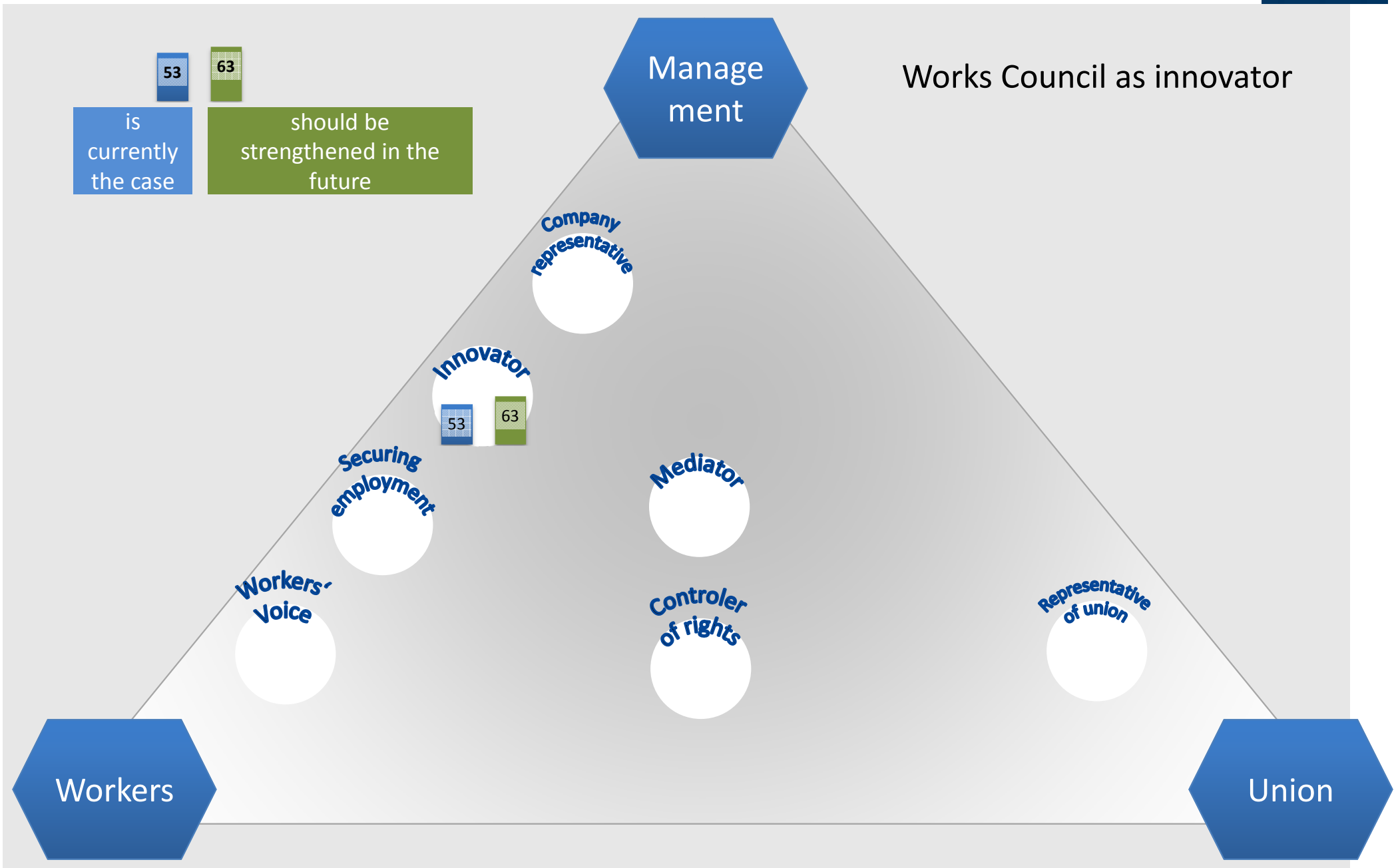
Factors of success:

1. Searching for new products within the “Diesel Systems” business unit, within other business units of the “Automotive Technology” division and in two other Bosch divisions (“Industrial Technology” and “Consumer Goods and Building Technology”)

2. "A closure of the Vénissieux site is something which we cannot and will not accept."
Alfred Löckle (EWC Chairman)

“If there would not have existed the EWC, the plant at Vénissieux would have already been closed. (...) Vénissieux is the biggest success of Bosch Europa Committee.” (French EWC-member)

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Innovation in Collective Agreements – „Innovation Funds“



„Zukunfts-TV“

IG Metall & VW AG

Innovation Fund 1 – 20 Mio € p.a.

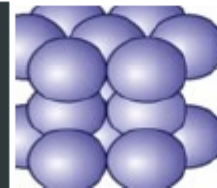
- Strategic Development of Sites – Strengthening In-House-Components
- Boost Technological Competences

Innovation Fund 2 – 20 Mio € p.a.

- Generate New Fields for Jobs
- Seek New Business Ideas – Diversification (Environment & Energy)



Funding Projects – Ideas by our own departments & employees



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„How does the Innovation Fund 2 work ?“

1. Joint Request
for Project Ideas

2. Proposals
Standards & Criteria

3. Joint Check
Proposals

4. Presentation & Joint Decision:

- „What's the business idea?“
- „What's the customer's demand?“
- „Can we do it? How? Who?“
- „What's the competition like?“
- „How much time & money is needed?“

1/4 cases:
„Ok, please
report status
next year“

- 3/4 cases: „Sorry, but...“
- existing field / regular budget
 - low chance of success
 - ...etc.



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decentral combined heat and power station (BHKW):

Volkswagen 2.0 CNG-EcoFuel engine fuelled with gas + sales by energy company LichtBlick

for schools, restaurants, apartment buildings etc.

producing heat and electric energy for customer and electric energy for sale to networks

project announcement in August 2009, testing in Salzgitter since beginning 2010

market introduction in 2011: 240 units sold, April 2012: 450 units sold in Northern parts of Germany and North Rhine-Westphalia

goal: 100.000 units integrated in energy networks supplying in peak demands (capacity replaces 2 nuclear electric energy plants)

5. Despite positive examples and fundamental possibilities the actual obstacles of transnational social innovation processes (TSIPs) have to be taken into account.

- unbalanced distribution of **resources** (investment, people, production capacities, knowledge/functions etc.)
- varieties of **institutional settings** (number, orientation, centralization, homogeneity, affiliation density of unions and employer associations; formal and informal rules and actors of collective bargaining; individual and collective labour law and state intervention; employee representation at factory or company level; social welfare provisions etc.)
- varieties of local, regional, national, organisational, professional etc. **cultures**
- **short and long term** interests/perspectives of workers and their representatives
- **'objectively' different situations** and interests of social groups, local entities etc.
- **different collective memories** of the history of countries, companies and plants
- **language** proficiency and **intercultural competencies**
- **misunderstandings** in direct and indirect communication

6. Transnational cooperation structures, cross-cultural competencies and blended cooperation networks help to overcome these challenges.

1. Transnational cooperation structures: EWCs, World Company Councils, regional branch or innovation meetings
2. Trust and reliability as crucial → face to face meetings and broader activities
3. Language skills – English – as precondition
4. Cross-cultural competencies: Functional-technical competencies, intercultural competencies, organisational-political competencies
5. Blended cooperation networks: combining face-to-face-encounters with all long-distance-communication technologies

Thanks for your attention!