

# STRATEGIC SECTORS: DEFINING AND IMPLEMENTING PRIORITIES

The health crisis has highlighted the issues of independence, sovereignty, control and strategic sectors. While these sectors have been defined on several occasions, it is now time to re-examine these choices. The current period should be an opportunity to rethink how to transform our production system. The aim of this opinion is not to choose between strategic sectors but to examine, in light of economic, social and environmental upheavals, how to define and implement criteria for qualifying a sector as “strategic”.

For 40 years, our country has experienced continued de-industrialisation and massive job losses, and the current economic crisis will aggravate this trend.

For the past ten years, the government has sought to support the development of industrial sectors and has accordingly reaffirmed their economic and strategic nature. France is not alone in implementing this type of policy, and examples from other countries, whether in China or Europe, are instructive. The industrial policies chosen are often accompanied by protectionist measures in favour of domestic industries, such as the so-called Montebourg Decree of 14 May 2014. Today, it is the recovery plan that is attempting to support industrial sectors, but the amount of support provided is insufficient in this area and its governance raises questions.

But in the context of the Covid-19 crisis, what objectives and criteria make a sector “strategic”? Answering this question will require identifying new needs which these sectors must meet.

In order for them to be able to meet these needs, the ESEC has set four objectives for these sectors:

**Objective 1:** strengthen economic sovereignty;

**Objective 2:** develop sectors that meet economic, social and health care needs and address environmental imperatives;

**Objective 3:** turn industrial sectors into a more cohesive whole in order to better identify cross-cutting technologies (“technology nodes”) and ensure their up-market development;

**Objective 4:** revive the country’s industrial spirit by strengthening human capacities, with more training, qualifications, skills and jobs, and instil a strong industrial culture in the country.

The ESEC offers simple indicators to help identify whether the sectors contribute to these four objectives and are therefore strategic. Lastly, the ESEC analyses the role of the government and the various actors in defining and implementing a strategy for industrial sectors. The government must put forward a vision for industrial sectors and build a favourable ecosystem by optimising public levers and giving employees a bigger role, without neglecting the development of European and international industrial sectors, beyond the confines of national cooperation.



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To this end, the ESEC makes following recommendations:

- 1. assess social needs (food, health, well-being, the environment, technology, mobility, culture, education, etc.) prior to identifying the sectors that contribute to our sovereignty;
- 2. regain our economic independence, by directing all or part of production toward goods and services that are essential to the country or strategic for its development;
- 3. make the environment a foundational and cross-cutting factor for defining a strategic sector;
- 4. make the criterion of maintaining and creating jobs a central factor in the definition of strategic sectors, in conjunction with strategic workforce planning (SWP);
- 5. master cross-cutting technologies and involve the entire chain of strategic sectors, including intermediate-sized enterprises and SMEs;
- 6. develop SWP across occupational sectors in order to better respond to the evolving needs of industrial sectors;
- 7. organise Estates General on Industry, led by the High Planning Commission and the ESEC, with the participation of the High Council on Climate, the CNI and stakeholders, with a view to defining priorities for strategic sectors;
- 8. consult a Planning Commission that reports to the Prime Minister, which will propose a general economic (and industrial) forecast and planning process, and set up a multi-year industry programme (PPI) as part of a long-term vision;
- 9. set up a large Ministry of Industry, incorporating social, environmental and digital challenges, with the resources to establish an ambitious industrial policy defined by the Planning Commission. The idea is to combine industrial and ecological issues under this ministry in order to ensure that industrial transformation is factored into these issues;
- 10. increase the strategic investment and long-term financial planning responsibilities of the State Shareholding Agency (APE) and, to this end, open its governance to this new Ministry of Industry;
- 11. reform the APE in order to strengthen its monitoring efforts and its long-term strategic actions to defend French strategic interests;
- 12. reaffirm that companies must be defined as corporate entities, with a collective mission to meet economic, social and environmental needs. This objective will require modes of governance that incorporate employees based on the type of company and take into account the interests of the various stakeholders in order to contribute to strategic decisions;
- 13. work to develop a European industrial policy;
- 14. establish international industrial cooperation.