

28 May 2020 From industriAll European Trade Union

Recovery must be ensured for all European industrial workers

The European recovery package published yesterday, 27 May is urgently needed. This unprecedented crisis demands unprecedented recovery and solidarity measures if the eurozone and the EU are to emerge and a mass social crisis across Europe is to be averted. IndustriAll European Trade Union welcomes the recognition that this is bigger than the economic crisis in 2008-9 demanding more ambitious investment measures, with the announcement of €750bn - more than triple the EU stimulus compared to the last economic crisis (€200bn).

The recovery plan should not only support companies, it must support Europe's workers. We also need to foster a demand led recovery supporting purchasing power. There must be social justice strings attached to public support for private companies, through guarantees on the quality of jobs and fair taxation and the prohibition of windfall profits for shareholders. We must learn from the mistakes of the last economic crisis and not repeat them.

Already the scale of this crisis for our members across European manufacturing, mining and energy sectors has been staggering. Nearly half of Europe's 2.5 million automotive workers are furloughed. Aerospace workers are amongst the most affected, but the least prepared. Textile workers have been hit by the closure of retail shops. In the steel sector, the number of plant shutdowns has generated real concern that half of Europe's steelmaking capacity could be lost by the end of the pandemic. Workers in the chemical industry are at the mercy of their key customers (e.g. automotive). Conversely, those working in the pharmaceutical industry face the societal demand and pressure of bringing production of strategic products back to Europe as quickly as possible. Moreover, the application of lockdown rules in the workplace across all industries will negatively impact productivity for many months to come.

Europe's industrial workers have been calling loudly for an ambitious recovery plan based on solidarity, sustainability and investment to cope with the deep economic downturn which is looming as a consequence of the COVID 19 outbreak. It must build on our common political objectives and support the dual challenges of decarbonisation and digitalisation, as laid out in the Green New Deal and new EU industrial strategy. Therefore, industriAll Europe welcomes the focus on job-rich sectors and activities tightly linked to these objectives. A boost in investment in the building sector, in a cleaner mobility, automotive and rail, or in renewables and hydrogen, we hope will keep and create thousands of good industrial jobs in Europe. The focus on innovation is welcome since only through quality investment can we guarantee the industrial jobs of tomorrow. We welcome the bolstering of the Just Transition Fund, while recognising its increased geographic scope.

IndustriAll Europe also welcomes the attention paid to strategic value chains through the new Strategic Investment Facility. Indeed a number of other vital sectors have been severely rocked by the COVID19 crisis. An in-depth assessment of the consequences of the COVID 19 on integrated industrial value chains is essential notably to identify where additional support is needed. This new facility should indeed address the needs of hard-hit sectors, employing hundreds of thousands of high-skilled manufacturing workers, including aerospace and shipbuilding. Moreover, the recovery plan must be tightly linked with initiatives to protect a series of strategic industrial value chains from dumping or other kind of unfair trade practices. Steel, basic metals, and basic materials, in addition to being important job providers, remain sectors of strategic importance for the EU, as bedrocks for many industries. Beyond short term economic recovery, one of the aims of the recovery strategy must be to keep in Europe the skilled workforce and the collective know-how that our industry needs to cope with longer term challenges. Measures to promote upskilling and reskilling of workers must be strengthened.

For a sustainable and socially responsible recovery, we need a strong signal from the EU and its member states supporting active labour market strategies for workers affected, anticipating change to avoid mass redundancies and ensuring effective social protection. The EU's SURE initiative is only part of the answer and these concerns must be reflected in the recovery plan. We would like to recall how social dialogue proved its worth during the early phases of the COVID-19 crisis. The agreements reached throughout Europe at national, sectoral and company-level on short-time working schemes and other instruments really helped cushion the effects on workers' jobs and income. As the plan recognises, trust is vital for a recovery. The dialogue with trade unions and health and safety representatives has provided this trust and guaranteed a safe return to the shop floor in many companies where protocols for work resumption were defined jointly. Therefore, workplace democracy and social dialogue must be recognised fully in this plan.

This signal must be heard now from Europe's leaders, as there already sirens singing their old song of structural reforms and more flexibility. A route which makes people less secure at a time when we need solidarity and stability, by weakening collective bargaining and labour law. A route which would place the cost of this crisis on the shoulders of Europe's workers again. A route which will undermine the EU itself, at a time when a pandemic has shown that international cooperation between countries is more necessary than ever.

Europe's leaders must use the Commission's proposals today as the basis for an agreement. Watering down or reducing the ambition for solidarity will prolong the damage that our members and our societies are feeling. We need them to step up to an unprecedented challenge and deliver the stimulus needed for jobs and livelihoods in every corner of Europe. Europe's industrial workers are watching.

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