

To: **Ursula Von der Leyen**  
*President of the European Commission*

Rue de la Loi 200  
B-1049 Brussels  
Belgium

**Subject: The EU Recovery Strategy and restructurings**

Brussels, 14 July 2020

Dear President,

Together with the ETUC, IndustriAll Europe has welcomed the proposed EU Recovery Strategy and the revamped Multiannual Financial Framework for 2021-2027, published by the European Commission on the 28<sup>th</sup> May. We indeed believe that the EU needs unprecedented measures to respond to the scale of this unprecedented crisis and we fully support the fact that the proposed strategy depends on strong solidarity among member states and large-scale investment flows. We share the concerns expressed by the ETUC about the negotiation box proposed by the President of the European Council on the 10<sup>th</sup> of July, and we still hope that the European Council will be able to adopt an ambitious recovery strategy as soon as possible.

However, we would like to raise your attention to a missing piece in the proposed portfolio of measures to tackle the social and economic consequences of the COVID crisis: the policy framework to cope with the potentially large number of restructuring cases ahead of us. As a trade union organisation representing workers from the manufacturing, mining and energy sectors, we are already witnessing large restructuring announcements in many of our sectors. The exact figure of cases and jobs affected is not available yet, but available sources clearly show that a first wave of restructuring as a result of Covid19 is currently hitting Europe (see Eurofound's restructuring database), and that the automotive and aerospace sectors have been among the hardest hit. EU and global economic forecasts indicate that the severe contraction of demand, slump of international trade, and slow down of production will probably lead to additional major job losses in the coming months and years – a second and third wave of restructuring along supply chains and as short-time working schemes taper out.

We hope that an ambitious EU recovery plan will step into the breach and mitigate some job losses, but the picture ahead of us is far from rosy. Consequently, we strongly urge the EU to use this window to prepare to deal with a series of deep restructuring cases. In our view the following actions are necessary to achieve this:

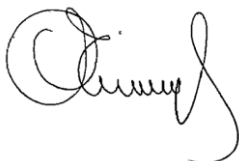
- **Ensure the full enforcement of existing EU legislation when it comes to Information and Consultation rights.** As already shared in previous letters, we have been informed that in recent cases, companies announced site closures or massive restructurings without a proper information and consultation of their workforce and the trade union organisations who represent them potentially breaching EU legislation.

- **Secure adequate resources to cope with redundancies:** in this regard, we are particularly concerned by the amount foreseen for the European Globalisation Adjustment Fund (EGF). Whereas, the proposal of May 2020 foresaw €386 million per year, the current text under discussion only foresees €186 million. It seems incomprehensible to us, that on the brink of such an economic crisis, resources for workers impacted by restructuring would be reduced by €200 million a year for the coming 7 years. It is worth remembering that in the aftermath of the 2008 financial crisis, the EGF financed projects that benefited to up to 26 thousand workers a year across the EU. This shows that even though other instruments will contribute to cushioning the impact of the crisis, the EGF is the only EU tool available to provide an immediate answer to concrete cases of restructuring through tailor-made and temporary support for workers in hardship because of redundancy plans. We urge that the EGF be adequately funded to cope with the likely scale of restructuring ahead of us.
- **Provide a Just Transition framework for manufacturing sectors in crisis:** IndustriAll Europe has welcomed recent EU initiatives to anchor the Just Transition principles deeper into EU policies, such as the Just Transition Mechanism, the dedicated Fund, or the Just Transition Platform. We note however that these initiatives focus mainly on coal-related activities and carbon-intensive industries. Currently it is not clear what is foreseen for the millions of workers in other (large) manufacturing sectors, such as automotive or aerospace, who find themselves in a perfect storm as a result of Covid19, the necessary decarbonisation of the economy, and wider structural changes?

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. 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.

We are happy to discuss these concerns further at your convenience.

Sincerely yours,



Luc Triangle  
General Secretary