

# A New European Deal for Steel

## Urgent action needed for Europe's steelworkers

### 5 demands for governments - 5 demands for employers

Steel producing regions in Europe are reeling from the unprecedented collapse in demand and production since November 2008. With European steel production levels falling beyond 50% in some companies, the full impact of this downturn is now starting to bite deeply. Urgent action is needed.

Hundreds of thousands of steelworkers have found themselves victims of this crisis. Whether through immediate redundancies and the loss of temporary agency and subcontracted workers, or the insecurity of short-time arrangements (where they exist), reduced pay and working time, all steelworkers are impacted. This is set to get much worse in the forthcoming weeks, as large sections of the core workforce are targeted. These workers are the tip of the iceberg in steel producing regions and cities, with many more workers in the local supply chain and subcontractors dependent on the global steel companies.

We are at a critical moment in the history of our sector. Production facilities lost and blast furnaces turned off today, may not be replaced. Steel is the backbone of Europe's manufacturing industries and the loss of steel production capacity in Europe will deal a severe blow to these industries in turn.

Our European steel industry urgently needs a modern, coordinated and comprehensive social and industrial policy to ensure that as demand returns we are in a position to relaunch all sites and that workers are supported in the meantime.

Steel is central to pursuing our common policy aims. It is fundamental to a sustainable response to climate change. Much political and financial energy has been focused on ensuring that Europe is a global market leader in construction and innovative European steel industry is crucial. The maintenance of the human capital, skills and knowledge of the European steel sector is essential to ensure its competitiveness emerging from the economic crisis.

renewable energy technologies, low carbon greener vehicles. An accompanying strong,



**The European Metalworkers' Federation (EMF) calls on the European Commission and EU Heads of State and Government meeting on the 18-19 June 2009 to:**

- Create a common European framework on short-time working arrangements to ensure a level playing field and worker protection available to all workers affected in all European countries. This framework must guarantee the maintenance of employment and purchasing power, and the right for all workers to access and the provision of training and retraining.
- Urgently develop a proactive European Social and Employment Policy Agenda, including better employment rights for temporary agency and precarious workers, and the strengthening of social security systems and employment services.
- Come forward urgently with a larger, better-coordinated economic stimulus package, including a European investment plan totalling an annual 1% of GDP effort for the next three years and pumping public funds into projects, including infrastructure, which contribute to increased innovative choices for a low carbon economy (in the fields of energy, mobility, etc.), financed with the support of Euro-denominated European bonds.
- Strictly enforce EU trade rules and trade defence measures to tackle the use of tax and tariff protectionism by 3<sup>rd</sup> country steel producers.
- Support public funding for R&D on low carbon steel technologies and carbon capture and storage, taking pilot projects to full-scale operations.

**The EMF calls on steel employers to:**

- Act responsibly towards their workforces by committing to negotiated solutions and respecting collective agreements and worker information and consultation rights.
- Contribute financially to ensure compensation for workers subject to short-time arrangements and the full maintenance of purchasing power.
- Ensure workers are provided with access to training during periods of lower production to preserve the sector's skills and enhance employment opportunities.
- Develop clear industrial strategies on the maintenance and simultaneous relaunch of equipment and facilities (especially blast furnaces) in anticipation of economic recovery.
- Maintain a strong commitment to investment in R&D activities in Europe, to promote innovation and new products for a low carbon economy during the current downturn (renovating blast furnaces will be easier in a period of low production), and promote sustainable investment policies in the future favouring R&D and employment over excessive profits.



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