

# [ ETUC newsletter ]



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## Figure of the month

# 6% – 19%

## of European GDP

So far, about 6% of EU Gross Domestic Product (GDP) has been injected into the financial sector and guarantees to the financial sector amount to around 19% of EU GDP.

(Source: EU Economic and Financial Committee)



Brochure on the structure and activities of ETUC



**Dear readers,**

The European Commission must go further and faster in its action to counter the economic crisis. That was the key message we delivered at the meeting the European social partners held with the Commission President and all the European Commissioners, on 25 February.

As the situation continues to worsen, we call for citizens and workers to become the top priority of all policies implemented to cope with this unprecedented crisis. Market fundamentalism has failed but it is workers who are paying the price of that failure: unemployment is increasing exponentially (3,000 more jobless a day in France for January alone), adding to the insecurity that already exists and draining purchasing power.

In response to this situation, European Action Days will be held from 14 to 16 May in Berlin, Brussels, Prague and in Spain (the city has not yet been chosen) to demand a new social agenda that takes seriously into account jobs, pay, equal treatment, an increase in purchasing power and a social reorientation of policies. We are calling for a second more ambitious recovery plan that includes sustainable projects for lasting prosperity and an end to short-term and laissez-faire ideology, which has been dominant for these last 30 years.

A new social deal is imperative to combat the crisis and promote greater equality.

**John Monks**  
General Secretary



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# [ETUC in action]

## CONFERENCE

### Workers' mobility and the role of EURES

12/02/2009 – ETUC organised a conference on workers' mobility and the role of EURES in Brussels. Several trade unionists and



representatives from the European Commission took part in the conference. In his opening speech, ETUC Confederal Secretary Walter Cerfeda outlined the actual socio-economic situation in Europe. Moreover,

he warned about the risks of increasing protectionism in Europe and the re-nationalisation of labour law – both are at the expense of workers' mobility.

## ETUC Steering Committee

05/02/2009 – At the beginning of February, the ETUC Steering Committee met in Brussels. The economic crisis, ETUC's mobilisation campaign for 2009 and the European Parliament elections were the key items on the agenda. The members of the committee also discussed the dispute in relation to the Lindsey oil refinery in the UK and its wider implications in terms of the Posting of Workers Directive.

[ETUC press release about Lindsey dispute](#)

# [Trade Union Agenda] February – March 2009

05/02/2009	ETUC steering committee (Brussels)	
12/02/2009	Conference 'The workers' mobility and the rôle of EURES' (Brussels)	
25/02/2009	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	
05-06/03/2009	Conference 'The financial crisis and the European employment strategy' (Brussels)	
17/03/2009	ETUC Steering Committee (Brussels)	
17-18/03/2008	ETUC Executive Committee (Brussels)	
24/03/2009	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	



## [Focus on the EU and trade union positions]

### The new European legislation on sanctions against employers of irregular migrants is toothless and counter-productive

19/02/2009 – ETUC criticised the outcome of the European Parliament vote on a new European legislation that sanctions employers of irregular migrants. For ETUC, the [adopted text](#) does not guarantee a right balance between adequate and dissuasive sanctions, on the one hand, and necessary protection of workers' rights, on the other. For ETUC Confederal Secretary Catelene Passchier, "this text will drive vulnerable

migrant workers further underground and not provide them with legal bridges out of illegality". ETUC will continue to mobilise regarding this issue and will push for a debate at European level on how to properly deal with the increasing use of undeclared work and irregular migrants in subcontracted work situations.

[ETUC press release](#)

[European Parliament press release](#)

### Europe must go further and faster

25/02/2009 – John Monks attended the meeting of the College of the European Commission, dedicated to the social and economic crisis. The ETUC believes that the Commission must go further and faster in fighting the economic crisis. The European trade union movement called for a second recovery plan of 2% of gross domestic product (GDP), including sustainable projects financed by European Growth Bonds.

[ETUC press release](#)

[European Commission press release](#)

### Free movement rules must be clear

27/02/2009 – In advance of the informal European Union Summit on 1<sup>st</sup> March, the ETUC called on European leaders to adopt clear rules on migrant and posted workers to avoid increasing protectionism. Moreover, ETUC demanded a Social Progress Protocol in the next EU treaties to balance the single market and respect the fundamental right to collective bargaining, as well as a strengthening of the Posted Workers Directive.

[ETUC press release](#)

### ETUC disappointed with Commission priorities for 2010

19/02/2009 – ETUC is disappointed with the policy priorities for 2010 put forward by the European Commission, in particular with the fact that problems that have arisen in relation to the European Court of Justice judgements and Posting of Workers Directive have not been included. John Monks declared that he would raise those issues at the meeting with the College of Commissioners on 25 February 2009.

[ETUC press release](#)

### ECB's *laissez-faire* attitude is increasingly incomprehensible

05/02/2009 – ETUC deplored the decision of the European Central Bank (ECB) to keep interest rates on hold, and this in the midst of an economic meltdown that Europe has rarely seen before. For ETUC, interest rates in the euro area should have been brought to near zero. ETUC believes that, by adopting this *laissez-faire* attitude, the ECB is playing with fire.

[ETUC press release](#)

[ECB press release](#)



# [EU Agenda]

February – March 2009

02-05/02/2009	Plenary Session at the European Parliament (Strasbourg)	
04-05/02/2009	Informal Meeting of Ministers for Family Policy (Prague)	<a href="#">Meeting Agenda</a>
09/02/2009	Eurogroup Meeting (Brussels)	<a href="#">Meeting Agenda</a>
10/02/2009	ECOFIN Council (Brussels)	<a href="#">Council Agenda</a>
16/02/2009	Education, Youth and Culture Council (Brussels)	<a href="#">Council Agenda</a>
18-19/02/2009	Mini-Plenary Session at the European Parliament (Brussels)	
19/02/2009	Transport, Telecommunications and Energy Council (Brussels)	<a href="#">Council Agenda</a>
23-24/02/2009	General Affairs and External Relations Council (Brussels)	<a href="#">Council Agenda</a>
25-26/02/2009	Plenary Session at the European Economic and Social Committee (Brussels)	
26-27/02/2009	Justice and Home Affairs Council (Brussels)	<a href="#">Council Agenda</a>
01/03/2009	European Council (Brussels)	<a href="#">Council Agenda</a>
02/03/2009	Environment Council (Brussels)	<a href="#">Council Agenda</a>
05-06/03/2009	Competitiveness Council (Brussels)	<a href="#">Council Agenda</a>
09-12/03/2009	Plenary Session at the European Parliament (Strasbourg)	
09/03/2009	Eurogroup Meeting (Brussels)	<a href="#">Meeting Agenda</a>
09-10/03/2009	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	<a href="#">Council Agenda</a>
10/03/2009	ECOFIN Council (Brussels)	<a href="#">Council Agenda</a>
16-17/03/2009	General Affairs and External Relations Council (Brussels)	<a href="#">Council Agenda</a>
19-20/03/2009	European Council (Brussels)	<a href="#">Council Agenda</a>
22-23/03/2009	Informal Meeting of Ministers for Education (Prague)	<a href="#">Meeting Agenda</a>
24-25/02/2009	Plenary Session at the European Economic and Social Committee (Brussels)	
23-26/03/2009	Plenary Session at the European Parliament (Strasbourg)	
27-28/03/2009	Informal Meeting of Ministers of Foreign Affairs (Hluboká n/V.)	<a href="#">Meeting Agenda</a>





## [Dossier]

# The European Globalisation Adjustment Fund (EGF)

**A**fter having presented the operation and role of the European Restructuring Monitor in our [previous issue](#), we are focusing this time on an instrument at Europe's disposal in assisting workers who fall victim to massive redundancies: the **European Globalisation Adjustment Fund (EGF)**, as well as ETUC's stance vis-à-vis this fund.

### What is the EGF?

The EGF, launched in 2007 at the initiative of the European Commission, is a solidarity fund designed to help workers who have lost their jobs as a result of fundamental changes in international trade triggered by globalisation. Its aim is to help these workers to find and hold on to a new job.

The EGF's intervention is on an individual, one-off basis and is time limited: actions funded by the EGF are financed over the short term and cannot exceed a period of 12 months<sup>1</sup>.

The fund has been awarded a total of €500 million a year, and it supplements the aid provided by the EU Member States, by allowing for co-financing of national interventions that can run to as much as 50% of the costs.

### EGF in practice

The activities eligible for financing by the EGF are **job-search assistance, occupational guidance, training, certification of acquired experience, and job search and**

**mobility allowances**, as well as measures to stimulate in particular disadvantaged or older workers.

All EU Member States may apply for EGF intervention, while meeting certain criteria:

a) **the link between the job losses suffered and the major upheavals in the structure of international commercial transactions**, notably relocations to a third country or rapid and substantial losses of European market share in the sector concerned;

b) **a minimum of 1,000 workers** in an enterprise in a Member State must have lost their jobs over a period of four months in an enterprise, including its suppliers, or over a period of nine months in a specific sector;

c) in **exceptional circumstances**, or in cases of smaller labour markets, the EGF may intervene even if the previous two conditions have not been completely satisfied.

There are **four stages** in the process for obtaining EGF financing, namely the:

- **definition of a national plan** to support workers falling victim to globalisation-related redundancy;
- **submission of an application for EGF intervention** by the state to the European Commission;
- **evaluation of the national plan and a proposal for financial intervention** by the Commission;
- **approval or rejection of that proposal** by the European Parliament (EP) and Council.

The beneficiaries of the fund are workers who receive allowances through the states and not

through the enterprises or local and regional authorities.

### EGF interventions

In 2007, the European Commission received 10 applications for intervention relating to some 11,400 workers. According to the Commission report 'Solidarity in the face of change' in July 2008, the aid provided by the EGF in 2007 amounted to €18.6 million, which corresponds to 3.7% of the maximum annual authorised amount of €500 million.

The sectors applying for an EGF intervention have been textiles, cars and metallurgy. On the other hand, with regard to the countries, seven Member States applied for EGF intervention in 2007, namely Finland, France, Germany, Italy, Malta, Portugal and Spain.

According to the most recent Commission statistics, three formal applications were received in 2008, from Italy, Lithuania and Spain. If approved by the EP and Council, the final application for intervention over an amount of €1,694,300, which was filed by Spain and accepted by the Commission on 10 February 2009, should help to assist some 370 workers who have lost their jobs in the automobile sector following relocations to third countries (Morocco, Turkey and Taiwan).

Following the economic crisis unleashed by the financial crisis in the autumn of 2008, the Commission units are braced for a sharp increase in applications for EGF interventions.

<sup>1</sup> At European level, it is the Structural Funds and the European strategy for growth and employment that are designed to act in the long term, by contributing to anticipating the challenges posed by globalisation, rather than repairing the damage caused.



## [Dossier] The European Globalisation Adjustment Fund (EGF)

### What the European trade union movement is calling for

While welcoming the setting up of the EGF, the European trade union movement has drawn the Commission's attention to certain aspects requiring improvement. When the EGF comes to be revised, **it will need to be expanded and transformed into a fund to aid workers who have lost their jobs**, whether that threat be linked to globalisation or to the financial crisis. In particular, **ETUC considers that it is important for the Commission to run a very close evaluation of the consequences of a 'Europeanisation' and not just globalisation**: more and more businesses tend to

relocate within the EU, generally attracted by low-wage costs in certain regions, with repercussions on employment in the areas affected. **ETUC's view is that the EGF should also cover this increasingly widespread phenomenon.**

**The involvement of the social partners**, notably in the drafting, implementation and monitoring of interventions, **the lowering of the threshold of 1,000 redundant workers**, and **the improved integration and coherence of the EGF with the existing European financial policies and instruments** – in particular, the European Social Fund – are among the European trade unions' major demands. Likewise, if the needs were to go beyond the maximum

ceiling of €500 million a year, ETUC has urged the Commission to **review and increase the funding available.**

### Useful links

- Section of the ETUC site devoted to industrial policies, including the EGF: <http://www.etuc.org/r/9> ;
- European Commission site devoted to the EGF: [http://ec.europa.eu/employment\\_social/egf/index\\_en.html](http://ec.europa.eu/employment_social/egf/index_en.html)

### For more information

- Claude Denagtergal, ETUC advisor in charge, *inter alia*, of the EGF issue: [cdenagte@etuc.org](mailto:cdenagte@etuc.org)



## [You may be interested]

### Economic crisis in the spotlight on the ETUC website

The press and communication department has just published an online dossier dedicated to the **European trade union movement's positions and actions on the social and economic crisis**. This dossier will be complemented with a section highlighting European and national trade union mobilisations over the coming months. ETUC will launch a campaign to fight the crisis, promote a New Social Deal and protect employment. The key elements of this campaign will be the European days of action in May 2009.

Dossier [Economic and social crisis: ETUC positions and actions](#)

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