



## Joint Declaration on the global economic crisis

Having in mind, that the European Chemical Industry

is one of the largest and most innovative industrial sectors in Europe and one of the biggest Chemical Industries in the world,

contributes with its innovations and activities to the success of many other sectors and the European economy as a whole,

employs around 2 million people directly in Europe,

provides many of the innovations and solutions which are necessary to successfully tackle climate change in Europe and globally,

is composed of large, multinational companies as well as of many successful small and medium sized entities spread over all 27 EU member states,

has a positive trade balance and plays directly and indirectly a key role for the export position of the European economy as a whole,

is a sector having a long tradition of voluntary commitments to promote improvements in occupational health and safety as well as in its environmental performance and continuously develops those commitments even further, the Responsible Care initiative being one of the most important examples of this,

has lead a successful Social Dialogue on the European level for many years, especially since the creation of the Sector Social Dialogue Committee Chemical Industry by the European Commission in December 2004 following the joint request of EMCEF and ECEG,

the Social Partners of the European Chemical Industry (European Chemical Employers Group - ECEG and European Mine, Chemical and Energy Workers' Federation - EMCEF), convinced that a stronger and more coherent European policy is needed, committed to contribute to such a policy with their discussions in Sector Social Dialogue and forums on labour relations, employment, vocational training, have today agreed the following joint position to address the current global economic crisis:

What started as a financial crisis is having now a severe effect on the Chemical Industry and the whole manufacturing sector in Europe. The now global economic crisis endangers the existence of the European Chemical Industry and has an impact as well on employees and employment. Problems arise for businesses which require measures to introduce short time working schemes and in some cases to layoff staff temporarily or even - as a last possible step - permanently. ECEG and EMCEF are convinced any such measures should be discussed inside the respective companies between management and staff representatives as early as possible; joint recommendations by national Social



## Joint Declaration on the global economic crisis

Partners may help as well in order to gain broad acceptance for the necessary measures. If no signs of recovery will be felt by autumn of 2009, the situation, including the effects regarding employment, in our sector might get even worse.

In order to overcome the economic crisis and to prevent worst case scenarios to become reality there are tasks to be fulfilled by all institutions involved: Social Partners on national and regional level, company management, employee representatives on company level, national and regional governments and the EU level institutions as well as the global financial and economic institutions.

EMCEF and ECEG believe it is essential that all parties act now to help the Chemical Industry and the economy as a whole in order to overcome the crisis. This need to be done without giving up the essentials of either the free market economy, workers' protection or the European social model; the Social Partners of the European Chemical Industry therefore will continue their activities in Sector Social Dialogue on European level to meet the challenges of the 21<sup>st</sup> century. Those developments which made the financial crisis and its effects in the whole economy possible must be identified and have to be changed. Here it is for the national governments, the European institutions and the global financial institutions to act.

EMCEF and ECEG refer to the "Joint Lessons Learned" on Restructuring, Managing Change, Competitiveness and Employment agreed between the two Social Partners in 2008 on European level and to the "Joint Declaration" agreed in the meeting of the Working Group "Education, Training and Lifelong Learning" of the Sector Social Dialogue Committee Chemical Industry in March 2009. Both documents are attached in full length to this declaration and give important advise to national and local level Social Partners as well as to public authorities in the current situation:

Necessary restructurings should be discussed with employees and their representatives as early and as detailed as possible. Local, national and European Works Councils should be involved. With joint activities of the company management, the affected employees themselves, their representatives and the Social Partners, any negative effects for employees should be kept to a minimum.

When measures to reduce working time in the current crisis have to be introduced, every effort should be made to use the opportunities of this available time for improving skills by training and education. Training that takes place during this period - and indeed all training - should be accredited to ensure those intrinsic skills are maintained so that when the economic



## Joint Declaration on the global economic crisis

situation improves the Chemical and Pharmaceutical sector will not lose vital human resource for the future. ECEG and EMCEF call on the European Union, National and Local Governments to provide financial and other support for businesses and workforces during layoffs and short time working or when dismissals occur. National Social Partners are asked to look for solutions that best suit the specific needs of the Chemical and Pharmaceutical Industry with a view to protect employment and income of workers in the sector as far as possible.

The Social Partners of the European Chemical Industry do agree the following additional measures - among others - would be helpful and necessary in the current context to maintain or regain the competitiveness of the EU Chemical Industry and its jobs:

Strong(er) EU policies aimed at reinforcing the competitiveness of EU Chemical Industry and other manufacturing industries (among them many important customer industries for the Chemical Industry). The "High Level Group on the Competitiveness of the European Chemical Industry (HLG) has published its final report in early 2009. All stakeholders were involved in drawing up this report, it therefore provides a consensual approach to what is necessary today to help maintain the competitiveness of the industry. The recommendations of the HLG remain valid in the current situation and should now be implemented rapidly on all relevant levels.

The regulatory burden should in no way be increased further at this moment. Already today, European companies in the Chemical Industry have to comply with very high regulatory requirements. In this context the implementation procedures for REACH and the energy and climate package (ETS and other regulations) must, while effectively tackling climate change and long term energy security, focus more than so far on maintaining the competitiveness of the Chemical Industry in Europe.

Measures need to be taken to ensure the long-term access to energy resources for European companies to conditions allowing the industry to operate successful in the global competitive market; this includes electric power as well as the availability of natural gas and other sources of energy.

Further development of a competitive logistical infrastructures including pipelines, waterways and others is necessary across Europe.

The open internal market must be maintained and respect of the EU rules on state aid ensured in order to avoid harmful subsidy races within the EU.



## Joint Declaration on the global economic crisis

Member states must resist protectionism. Likewise, the EU must act at all possible levels to protect EU operators against WTO-illegal measures taken by competing countries to 'protect' their own economies. And activities should be encouraged which ensure the adequate implementation of core ILO conventions.

Support companies and their employees during periods of short time work or temporary layoffs in order to avoid permanent layoffs, to give companies the short-term cost savings needed and to secure the standard of living as well as the purchasing power of the employees as far as possible. According to the national traditions and procedures collective bargaining and social dialogue can help to achieve these aims and should be intensified in the current climate.

Help companies and their employees to use any time available because of short time work or temporary layoffs for qualification and training to increase the future employability of the workforce and to make the qualifications needed in the future available for companies.

European companies and their customers need access to capital and to credit insurance, the lack of which is heavily affecting the export capacity of the Chemical Industry and other (industrial) sectors.

Boosting the economy as widely as possible without harming the long-term financial situation of European nation states in order to tackle the strong reduction in demand. The measures need however to be tailor made to ensure their effectiveness; harmful subsidy races need to be avoided. Among others, measures could be

- to increase EU and national financial support in order to maintain investment in research and innovation in the framework of a sustainable development policy
- to make additional funds available for training and qualification of employees as well as for education and training in general in order to secure future employability of the EU workforce
- to invest in all types of infrastructure which will be needed once economic recovery takes place

Existing European funds (e.g. EU Social Fund, EU Globalisation Fund) should be used to ease the situation of the industry; in particular the accessibility of funding from those sources should be improved further.



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EMCEF and ECEG call for those measures to be seriously taken into consideration by the relevant public authorities, national and local level Social Partners. As many as possible of those initiatives should be implemented – using a ‘fast-track approach’ – in order to contribute to a recovery of the economy, to maintaining the competitive of the European Chemical Industry as high as possible and to keep as many jobs as possible in the European Chemical Industry.

Brussels, 13 May 2009



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