



ETUC Statement: Call for a Moratorium on Forced Redundancies

Adopted at the Executive Committee meeting of 10-11 December 2024

Across Europe, working communities have suffered significant job cuts in recent months. Every week, new promises of restructuring emerge in multiple regions and sectors. A new wave of layoffs threatens jobs in the automotive industry, its suppliers, energy-intensive sectors, construction, chemical, transport, tech, food processing, retail, services, and other sectors. Between 2008 and 2023, 2.3 million manufacturing jobs were lost in the EU. 811,000 of these losses came between mid-2019 and mid-2024.

Job losses are not confined to the manufacturing sector. Other sectors of the economy are suffering from risks of forced redundancies and closures, that would weaken the European economy and entail the loss of thousands of jobs. The green and digital transitions are accelerating restructuring trends. For instance, Klarna has announced plans to halve its workforce due to automation, and a Citigroup analysis suggests that up to 50% of banking jobs are at risk. Without stronger protections, Europe faces a future of escalating inequality and insecurity.

Workers united in demanding better protection

As the representatives of 45 million workers across Europe, the ETUC recognizes that these job losses are pushing us toward an unprecedented social crisis. Of course, in the transitions, not all jobs will be maintained. But the scale of the emerging social crisis strikes at the heart of EU industry and the key sectors needed for green decarbonisation. A decade of austerity policies had already weakened essential infrastructure and many companies are now increasingly prioritizing short-term shareholder profit margins over job security, quality jobs and strategic planning.

Many companies announcing layoffs have been strongly impacted by the consequences of the absence of realistic European green and industrial policies and by unfair global competition. Many other companies are far from financial distress, their decision for closures and layoffs are often driven by shareholder demands for higher profit margins. Depressed demand resulting from the cost-of-living crisis, reduced public investment due to budget constraints, global overcapacities, and unfair trade practices exacerbate the situation. Europe cannot afford not to have an industrial policy or to have one that prioritizes corporate earnings at the expense of workers and long-term resilience. Industrial policy should cover all sectors and all transitions and should be supported by reinforced and common investments and social conditionalities.

To address this, we call for a Europe-wide moratorium on forced redundancies in all industries and the preservation of jobs and strategic economic and industrial capacities. By this we mean a temporary ban on all redundancies to stop the haemorrhage and to plan for the transitions with the industries concerned. Articles 151 and 153 of the TFEU, alongside Art. 30 CFR and the European Pillar of Social Rights demand Europe to act and



provide it with the tools; now it must rise to the challenge. Alternative solutions should be explored before restructuring occurs. Ex-post consultation of trade unions after the decision without any possibility of reversing the decision is also considered a forced redundancy.

During the COVID-19 pandemic, several European countries implemented temporary moratoriums on forced redundancies. Italy, for example, adopted a broad approach to prevent layoffs during the crisis. France and Germany, through their industrial relations systems, prioritized exploring alternative solutions before redundancies are even considered. These models prove that national-level measures can work, but they need to be reinforced and enhanced by EU-wide standards to prevent fragmentation.

The moratorium on forced redundancies should allow the rapid advancement on three essential policies to be put in place to manage change and to prevent forced redundancies:

An European industrial policy for quality jobs developed with trade unions

A strong European industrial policy developed with trade unions is urgently needed. It must be developed and implemented through social dialogue. Its aim should be first and foremost protect and create quality jobs, including through social conditionalities in all public funding. Profitable companies putting in place forced redundancies after having benefitted from public funding is unacceptable. The policy must effectively address the protection of European industry faced by international challenges, such as overcapacity, unfair trade practices, dumping, and foreign subsidies and foreign direct investment while integrating trade agreements that contribute to quality jobs and social and environmental standards in Europe and partner countries, supported by enforceable labour standards and sanctions for their violation. To support workers in sectors in difficulty, ETUC calls for the establishment of a permanent European unemployment reinsurance scheme (SURE 2.0 fit for the present and future challenges).

An EU-Level Investment Facility

Europe needs a permanent investment instrument with significant spending capacity. ETUC supports the establishment of an Investment Facility financed and deployed at EU-level whose final goal is to help bridging the investment gap that is necessary to make our economy sustainable, climate-proof and thriving for people and workers. This mechanism must address the polycrisis we face — economic, social, and environmental — ensuring that solutions are guided by equity and sustainability, not austerity. The growing international competition and uncertainty we face mandates a fundamental shift in approach. While being an investment instrument and not a job retention scheme, it should also ensure the labour focus of SURE, investing and transforming smoothly the key industries where workers' jobs are in danger.

A Just Transition Directive to Anticipate and Manage Change

A Directive on anticipation and management of change based on social dialogue and collective bargaining is critical, ensuring early and meaningful consultation and negotiations with trade unions to proactively prevent job losses and to manage restructuring only when essential to safeguarding jobs and capacities. The involvement of trade unions and works councils involvement in restructuring processes is often sidelined, with trade unions excluded from over one-third of cases. Half of EWCs are consulted too late, often after decisions are announced publicly, and their involvement rarely leads to changes in company plans. To reskill and upskill to be ready for transitions, workers should have the right to paid training during working time.

Forced redundancies are not inevitable—they are choices that can and must be avoided.

We cannot accept the dismantling of Europe's economic base, the disregard for workers' rights, and the undermining of our collective future. Now is the time to genuinely commit to transitions that really do not leave anyone behind.