



## Resolution 810 (1983)<sup>1</sup>

# Situation of the steel industry in Europe

Parliamentary Assembly

The Assembly,

1. Considering the report on the situation of the steel industry in Europe presented by its Committee on Economic Affairs and Development ([Doc. 5116](#)) ;
2. Drawing attention to its [Resolution 785 \(1982\)](#) on the activities of OECD in 1981, particularly paragraph 11 in which it invited OECD to review the world steel market and prepare guidelines for restoring some balance between supply and demand ;
3. Noting that demand for and production of crude steel have fallen sharply in Western Europe since 1974, particularly in member countries of the European Communities, and that this adverse trend seems set to continue over the coming years ;
4. Believing that the main reasons for the European steel industry's decline are the economic recession, the substitution of other products for steel, which is also being used more rationally, an investment policy in the early 1970s which disregarded technological changes, competition from the newly industrialised countries and the closure of export markets ;
5. Noting that the decline in the steel industry in Europe has considerably lowered utilisation of production capacity, caused a slump in steel prices and resulted in huge loss of jobs in regions often already hit by the crisis- in coal and textiles, for example- and whose populations are losing their most vigorous elements and consequently ageing ;
6. Observing that, initially, the member states supported their crisis-stricken steel industries with huge subsidies and then embarked on a policy of industrial restructuring in the steel sector ;
7. Noting that, like a growing number of industrial sectors, trade in steel is decreasingly open and multilateral, being more typified by bilateral agreements on voluntary restrictions of exports ;
8. Believing nevertheless that the European steel industry still has a potential future provided it becomes profitable again by modernising equipment and improving productivity so as to catch up with some of its competitors ;
9. Having noted the activities of international organisations in this field, particularly the Commission of the European Communities, which since 1980 has been taking courageous action to combat the crisis in the steel industry, particularly by the compulsory production quotas introduced under Article 58 of the ECSC Treaty (manifest crisis) and by restructuring the production system in accordance with the "code on aids" approved by the Ten in June 1981,
10. Invites the governments of the member states of the Council of Europe :
  - i. to endeavour both to incorporate the restructuring of the European steel industry in an industrial policy to be implemented throughout the Council of Europe and to honour undertakings ;

---

1. *Assembly debate* on 3 and 4 October 1983 (20th and 21st Sitzings) (see [Doc. 5116](#), report of the Committee on Economic Affairs and Development). *Text adopted by the Assembly* on 4 October 1983 (21st Sitting).



- ii. to give their steel producers aid only if it results in projects for rationalising, consolidating and modernising production units and so restoring international competitiveness, and develops research in the steel industry ;
  - iii. to give consideration, in their endeavours to restructure, to a reduction in overall production capacity in Europe according to a programme to be decided in consultation with the trade unions, the employers' organisations and the companies concerned ;
  - iv. to favour the crisis-stricken steel-producing regions by implementing a suitable regional planning policy embodying an important industrial diversification and the setting up of new industries able to absorb excess labour, for example in the fields of energy-saving and the development of new sources of energy ;
  - v. to make extensive use of the Council of Europe Resettlement Fund in financing schemes which generate employment in regions particularly affected by the crisis in the steel industry ;
  - vi. to take energetic steps to retrain workers and reorganise work in the steel industry, particularly :
    - a. by ensuring that retraining accords with the regions' industrial development objectives, vocational training for young people having first priority ;
    - b. by promoting the reorganisation of working time by :
      - 1. eliminating overtime with a view to creating new jobs ;
      - 2. more widespread early retirement ;
      - 3. assistance to part-time workers ; and
      - 4. negotiated reduction of working time and the introduction of the five-shift system ;
  - vii. to institute regular consultation between public authorities and both sides of industry, as in Luxembourg when the "Steel Tripartite" was established in 1977 ;
11. Approves in outline the policy for restructuring the steel industry implemented under the Commission of the European Communities, but, being apprehensive about their social implications, urges the latter :
- i. to pay greater heed, in asking sacrifices of its member states, to the restructuring each has already carried out in this sector, according to the spirit of the European Community's "code on aids" ;
  - ii. to clarify the measures taken under Article 58 of the ECSC Treaty, particularly the criteria for fixing the quotas imposed on member states and their companies ;
  - iii. to develop the social measures in favour of regions hit by the steel crisis by means of greater use of the European Regional Development Fund and regionalisation of the European Community's Social Fund ;
  - iv. to collaborate more closely with OECD and EFTA with a view to harmonisation of policies for industrial restructuring throughout the industrialised world ;
  - v. to discuss with third countries the impact of their domestic policies on the steel industry of member countries, and in particular the recent decision of the United States Administration to put special steels under import control ;
12. Welcomes the European Parliament proposal of 18 November 1982 for a Steel Conference and hopes that its Committee on Economic Affairs and Development will be closely associated with this important initiative ;
13. Urges UNIDO to continue to promote coordination and joint planning of steel production levels by the industrialised and developing countries, but to have due regard to considerations of social protection and to general aims for improving working conditions in the countries concerned.