

Joint European Level Social Partners'  
Work-Programme 2006 – 2008

Joint Study on Restructuring in the “EU15”  
Phase one

The United Kingdom

Summary note of the meeting that took place in  
London on 6<sup>th</sup> and 7<sup>th</sup> May 2008

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Project of the European Social Partners with the financial support of the European Commission

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*Introduction*

The ninth seminar in the joint European level social partners' project, “Joint study on restructuring in the EU15” took place in London, the United Kingdom on the 6<sup>th</sup> and 7<sup>th</sup> May 2008. It was attended by the UK social partners, European social partners and experts – an attendance list is attached as appendix one.

Those present were welcomed to the meeting. The expert coordinator, Alan Wild presented the background to the project in the context of the 2006 – 2008 social partners work programme and the work already undertaken by the European level social partners on restructuring in the 10 New Member States; capacity building for employers' organisations and trade unions for participation the European Social Dialogue in the New Member States and Candidate Countries; and the employers' and trade union resource centres. He explained that the “final report” produced after the meeting would be an “expert report” and, as such it would not be expected to be either “adopted” or “agreed” by the local or European social partners. He stressed the importance of good and open debate in helping assure a high quality contribution to the overall project from the United Kingdom.

*Case Study*

Due to timetabling priorities, the first case study “The Hospital at Night” was presented at the beginning of the meeting. A full description of the case is included in the UK national report.

*The UK national dossier – section one*

The project expert for the United Kingdom, Tom Hayes, presented the first section of the UK National Dossier – “A macroeconomic review of restructuring in the United Kingdom” (slides attached as appendix two). At the end of the presentation he left the UK social partners with the following questions:

1. High levels of immigration into the UK are combined with relatively poor scores in indexes measuring social exclusion. What actions can be taken to improve inclusion of minorities?
2. In the face of an economy based increasingly on higher skills and higher value added occupations, the UK is less successful than it might be in lifelong learning. How can lifelong learning practices be improved?
3. The UK has succeeded over recent years in improving labour productivity. What lessons can be learned from this experience that can be exported to other European countries?
4. What are the future restructuring challenges that will face the UK economy?

5. What can the UK teach other European governments and social partners that are embarking on public sector reform programmes?

Following the presentation the points summarised below were made by those present to further explain the context in which the report had been drafted, to add new information and, to help shape conclusions in order to contribute to the content of the final national dossier. The comments are grouped by issue rather than timing or view of the speaker:

- ✧ The extent of home ownership and the escalation of house values over a significant period of time has exercised a strong influence on the conduct of UK employee relations and people's attitudes to restructuring;
- ✧ In the UK the issue of integration of "foreigners" is based more around ethnicity than nationality with the general population tending to be more tolerant of some ethnic origins than others. The focus of work on diversity in the UK for example is on inclusion and ethnicity where in other European countries it would be about gender and nationality;
- ✧ Successive governments in the UK since 1979 (the first Thatcher government) have either been hostile toward social partnership, or more recently "neutral" toward it;
- ✧ The UK labour market reflects the "hour glass" model with significant numbers of skilled workers in the upper portion of the hourglass, low skilled workers in the lower portion and very little in the middle;
- ✧ It was suggested that the data on "qualifications" in the report presents a distorted picture of workforce "skills" that are not captured on formal certificates. UK business invests heavily in training – at an estimated level of £30bn per year;
- ✧ A broad series of issues influence UK employee relations – a long period of low unemployment; the sale of state housing and house price escalation; the demise of heavy industry; and laws that inhibit trade union organisation and industrial action. When unemployment is low and people feel personally "wealthy" then employment laws are not seen as important by workers;
- ✧ Openness to international competition and a lack of a protective government approach to uncompetitive sectors and companies have been drivers for change. The open encouragement toward progressive and technology based change was captured by one participant saying "The stone age didn't end because we ran out of stone";
- ✧ There is a danger in seeing all change in the public sector in the same light. There have been models of failure (railways) but many success models of change. Change has not only been due to financial constraints but due to changes in public demand and in technology. The Blair reforms based on targets and indicators were described as his way of improving service levels without losing elections. The approach will probably be replicated in other countries that need to control public expenditure and improve service levels;
- ✧ Major challenges going forward will be the "greening" of the economy in response to environmental issues and changing demands placed on public services;

*The UK national dossier – section two*

Tom Hayes presented the second part of the UK dossier “The role of the social partners in restructuring” (slides attached as appendix three). He left the participants with the following questions:

1. In the UK system of social dialogue it appears to the outsider that the peak organisations are more lobbyists than “bargainers” in the European tradition. How does the social partnership work?
2. How effective have the recent changes in the legislative framework covering social dialogue (minimum wages, trade union recognition and information and consultation laws) changed the nature of relationships between trade unions and employers at the company and national level?
3. Perhaps surprisingly, given the enterprise focus of restructuring discussions, the UK falls in the higher quartile of flexicurity countries and employees seem to be less concerned about losing their jobs than they are in many countries. How does this system work?
4. How effective is the new “soft social dialogue” at national level and what is its future?

In similar fashion to the discussion of section one above, the points summarised below were made by the seminar participants:

- ✧ Social dialogue does exist in the UK. A variety of informal discussions take place continually at the national level and joint statements on important topics have been agreed. Good examples are the basic skills initiative “Brushing up the Basics” and the tripartite statement on English language for English non mother tongue workers. Perhaps the UK has a “soft form” of social dialogue compared to other countries. Social Dialogue in the public sector is more developed taking on board issues like work/life balance and diversity/equality issues. At the enterprise level the TUC and CBI have produced case studies of good workplace dialogue practice;
- ✧ Social Dialogue in the UK has also been influenced by the need to implement EU level social partner agreements – although the government department BERR has assisted in this area;
- ✧ After the Blair election victory in 1997 a conscious decision was made to adopt neutrality toward the structure of employee relations rather than follow the Christian Democrat approach of providing a social space for discussion underpinned by high levels of employment legislation. As a consequence, the national level the social partners shifted from being bargainers to lobbyists;
- ✧ The UK workforce is generally relatively prosperous; has employment protection delivered through EU laws; and receives good levels of training and development at work. There is limited space for trade union organisation initiatives;
- ✧ The historic legacy of the 1979 General Election where trade unions had been perceived to “have become too strong” cannot be forgotten;
- ✧ There is little question today that the UK approach to restructuring has been successful in economic terms. The question is whether it is sustainable.

#### *Joint EU social partners work relevant to restructuring*

Cinzia Sechi (ETUC), Helen Hoffman (UEAPME), Valeria Ronzitti (CEEP) and Matthew Higham (BUSINESSEUROPE), presented the recent work of the European social partners in the area of restructuring focusing on their activities relating to lifelong learning; orientations for change; European Works Council best practice; and the restructuring studies (slides attached as appendix four).

#### *Case studies*

The National Health Service case study had already been presented at the opening of the meeting. The second case – Cadbury plc - was presented by Mr Jimmy Whelan from the Cadbury European Works Council and is described in the London final report. An additional presentation on UK learning representatives was made. This initiative is described in the body of the UK report.

#### *Views of the European level Social Partners*

Following the presentations, discussion and case studies, the European level social partners made the following broad observations:

- ✧ Valeria Ronzitti (CEEP) – the UK case study on the Hospital at Night showed the impact of practical social dialogue in action in the UK and supports the notion that “pre-fixed” models are not needed to achieve successful outcomes. In addition, the notion of public services behaving in a “businesslike” manner as opposed to being “like a business” might resonate in other countries. The level of discussion and debate had been at a very high level and it was a shame that there was not greater trade union attendance – although the active participation of those there was appreciated;
- ✧ Helen Hoffmann (UEAPME) - was disappointed that the perspectives of small enterprises had not really been represented. The Hospital at Night case study was an impressive example of change management being initiated at local level and could be of interest to health care sectors in other countries;
- ✧ Juliane Bir (ETUC) – said it was clear that an active social partnership exists at the national and local levels in the UK even if it is not called “social partnership” or “social dialogue” - and there is a basis to work from. It was also clear that there are gaps in linkages between the EU and the national level and the national and enterprise levels in the UK – and that the UK approach “is a little bit different”;
- ✧ Jørgen Rønne (BUSINESSEUROPE) – the high quality discussion on training and qualifications from both the employer and trade union sides was welcome as it is the key to allowing organisations to restructure and move on. It is generally those with the lowest skills that are the most difficult to draw into training – and the UK has some good ideas and practices here.

At the end of the meeting, the social partners were thanked for participation in the meeting and for their positive engagement in the process. The local organisers were thanked in particular for the arrangements they had put in place that facilitated the meeting.

## APPENDICES

1. Seminar Agenda;
2. Attendance list for the seminar;
3. “A macroeconomic review of restructuring in the United Kingdom” – Expert presentation;
4. “The role of the social partners in restructuring” – Expert presentation;
5. “Joint EU social partners work relevant to restructuring” – presentation by the European level social partners;
6. Case study presentation The Hospital at Night.

APPENDIX 1

<b>OUTLINE AGENDA FOR THE RESTRUCTURING SEMINAR IN THE UNITED KINGDOM 6 &amp; 7 MAY 2008</b>		
<i>VENUE: Barbican CCT Venues (room Jupiter), Aldersgate House, 135 – 137 Aldersgate Street, London EC1A 4JA</i>		
<b>DAY ONE</b>		
1000 – 1030	➤ Introduction to the programme	The expert coordinator
	➤ Expectations from the national seminar	EU social partners (BUSINESSEUROPE on behalf of the employers, ETUC on behalf of trade unions)
1030 – 1115	A factual macro-economic review of restructuring in the country: <ul style="list-style-type: none"> <li>➤ Key economic statistics;</li> <li>➤ Key social statistics;</li> <li>➤ Analysis of the nature and extent of restructuring from 1995 to date;</li> <li>➤ Future prospects for further restructuring in the economy;</li> <li>➤ The legal context against which restructuring has taken place.</li> </ul>	Presentation by the expert of Section One of the national dossier
1115 – 1130	Break	
1130 – 1230	Discussion of the macro-economic review	Structured round-table discussion focussing on issues of fact - chaired by expert coordinator
1230 – 1400	Lunch	
1400 – 1445	Systems of social dialogue and employee relations A review of the role in restructuring of the social partners at national, sectoral and enterprise levels. The presentation will identify the main themes underlying social partner activities relating to restructuring in the UK.	Presentation by the expert of Section Two of the national dossier
1445 – 1545	Discussion of the review on the role of the social partners in restructuring.	Structured round-table discussion focussing on issues of fact - chaired by expert coordinator
1545 – 1600	Break	
1600 – 1630	Joint EU social partners work relevant to restructuring.	Presentation by the European social partner organisations
1630 – 1700	Discussion	
1700 – 1730	Summary of the day, suggestion of issues for overnight consideration and review of the agenda for day two	Expert coordinator

<b>DAY TWO</b>		
0915 – 0930	Review of agenda for day two	Expert coordinator
0930 – 1000	Presentation of a first case study included in Section Three of the national dossier	Presentation by the social partners involved in the case study plus time for questions and comments.
1000 – 1030	Discussion	
1030 – 1045	Break	
1045 – 1115	Presentation of a second case study included in Section Three of the national dossier	Presentation by the social partners involved in the case study plus time for questions and comments.
1115 – 1145	Discussion	
1145 – 1300	Summary Discussion – round table discussion identifying the strengths and weaknesses of overall social partner performance in the area of restructuring covering both macro and micro interventions.	Structured round-table discussion chaired by expert coordinator
1300 – 1330	Reflections on the discussion and close of seminar	Expert coordinator and European level social partners.
1330	Lunch	

APPENDIX 2

FINAL LIST OF PARTICIPANTS FOR THE RESTRUCTURING SEMINAR IN THE UNITED KINGDOM 6 & 7 MAY 2008

<b>Nr</b>	<b>Name</b>	<b>Organisation</b>
1.	<i>Alan Wild</i>	<i>Aritake-Wild</i>
2.	<i>Tom Hayes</i>	<i>EIRI Associates</i>
3.	<i>Jørgen Rønne</i>	<i>BUSINESSEUROPE</i>
4.	<i>Matthew Higham</i>	<i>BUSINESSEUROPE</i>
5.	<i>Helen Hoffmann</i>	<i>UEAPME</i>
6.	<i>Valeria Ronzitti</i>	<i>CEEP</i>
7.	<i>Maria-Helena André</i>	<i>ETUC</i>
8.	<i>Juliane Bir</i>	<i>ETUC</i>
9.	<i>Cinzia Sechi</i>	<i>ETUC</i>
10.	<i>Sinead Tiernan</i>	<i>ETUC</i>
11.	<i>Fernando Vasquez</i>	<i>European Commission</i>
12.	<i>Katja Hall</i>	<i>CBI</i>
13.	<i>Jason Vit</i>	<i>CBI</i>
14.	<i>Louise Morgan</i>	<i>CBI</i>
15.	<i>Janet Asherson</i>	<i>CBI</i>
16.	<i>Robert Don</i>	<i>CBI</i>
17.	<i>Jane O'rourke</i>	<i>Eversheds</i>
18.	<i>Simon Laphorne</i>	<i>Clarkslegal</i>
19.	<i>Stephen Clark</i>	<i>RWE npower plc</i>
20.	<i>Ian Jefcoate</i>	<i>Tesco Stores Ltd</i>
21.	<i>Dominic Johnson</i>	<i>Barclay's</i>
22.	<i>Tina Weber</i>	<i>CEEP-UK</i>
23.	<i>Charles Nolda</i>	<i>CEEP-UK</i>
24.	<i>Wendy Reid</i>	<i>NHS</i>
25.	<i>Marian Martin</i>	<i>Ward Hadaway</i>
26.	<i>Apeksha Naik</i>	<i>Transport for London</i>
27.	<i>Tim Page</i>	<i>TUC</i>
28.	<i>Peter Coldrick</i>	<i>TUC</i>
29.	<i>Bert Clough</i>	<i>Unionlearn</i>
30.	<i>Jimmy Whelan</i>	<i>Cadbury</i>



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