

Joint study on the role of the social partners in restructuring in ten countries in the "EU15"

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Brussels
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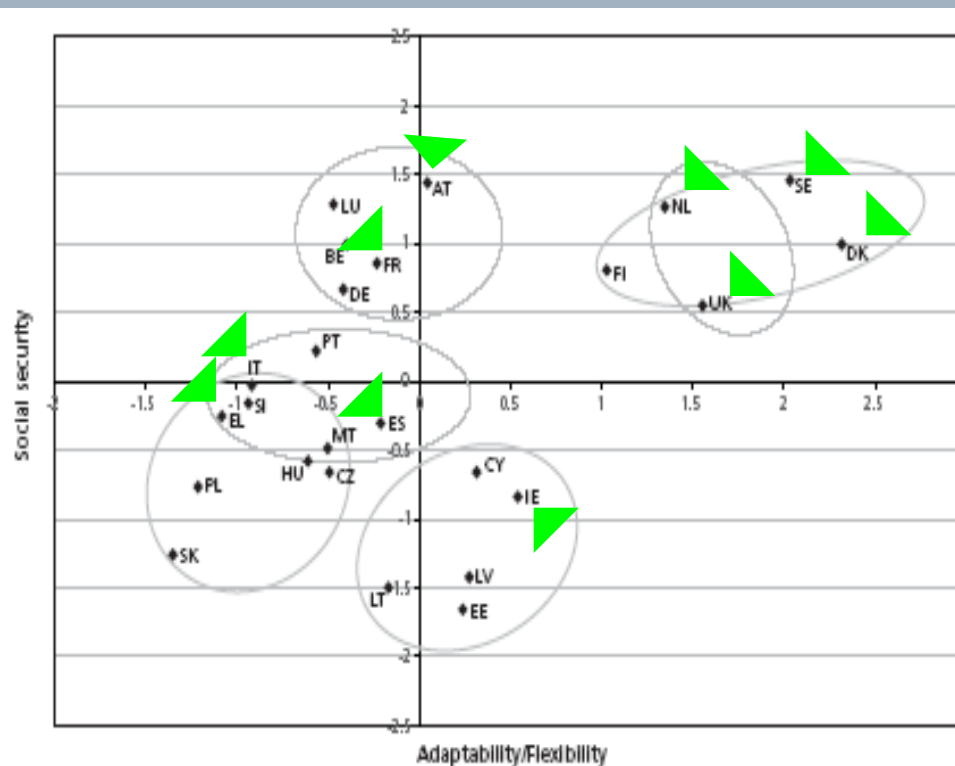
Overview

- Focus on the role of the social partners;
 - Ten countries; 25 case studies; 200 participants;
 - Five main sections
 - The nature of restructuring;
 - flexibility and security;
 - shared diagnosis and agenda;
 - current & future skills gaps;
 - “silent restructuring”;
 - Inform, encourage discussion and debate;
 - Much more in the country reports.
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The nature of restructuring

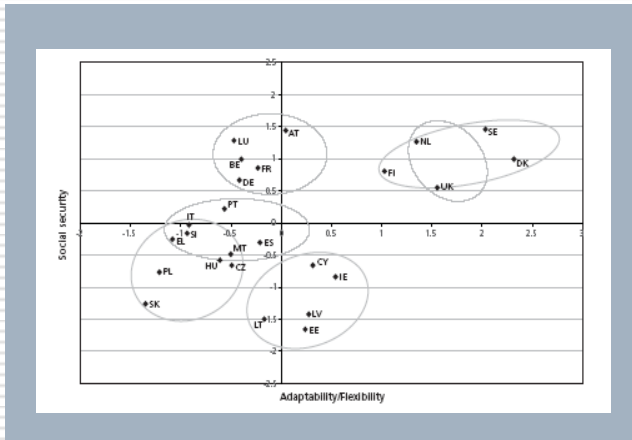
- International competition – BRICS adds 1.4bn workers to the market economy;
 - Europe - net gain in employment of 7m jobs (2000 to 2005);
 - Shift from industry to services; larger to smaller; and sectors and regions differently affected;
 - Offshoring & Private Equity – more significant impact in the media than on jobs ... BUT effect on internal restructuring to improve competitiveness;
 - Profitable companies make people redundant;
 - More recent challenges for public sector;
 - A permanent state of change.
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Flexibility and security



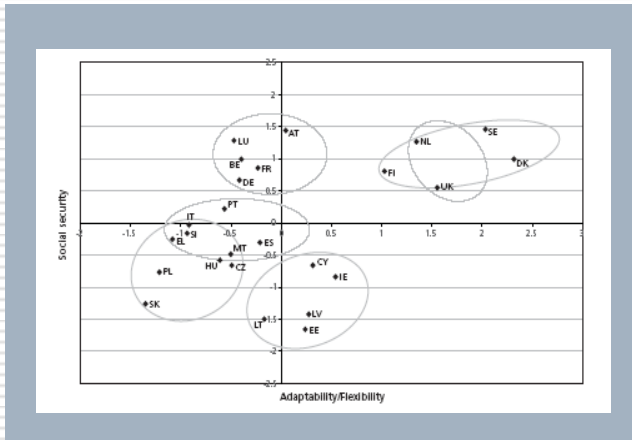
- Participating countries spread across the matrix;
- Three distinct models in upper right quadrant;
- “Win/win” position varies by national characteristics – as does its detailed make-up.

Flexibility and security



- Upper right quadrant countries take a comprehensive long term approach to management of the labour market;
- Sweden and the Netherlands – high social partner engagement against high legal standards;
- Denmark – high social partner engagement against lower legal standards;
- UK – low social partner engagement against low legal standards

Flexibility and security



- EU Upper right quadrant countries take a comprehensive long term approach to management of the labour market
- EU Sweden and the Netherlands – high social partner engagement against high legal standards;
- EU Denmark – high social partner engagement against lower legal standards;
- EU UK – low social partner engagement against low legal standards

Nordic and Dutch

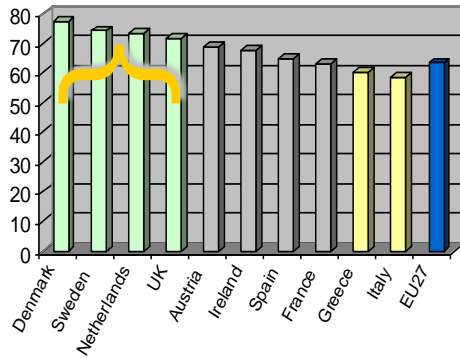
- EU Long history of mature & successful social dialogue;
- EU Strong and representative social partners;
- EU Government provides the “space” & encouragement.

UK

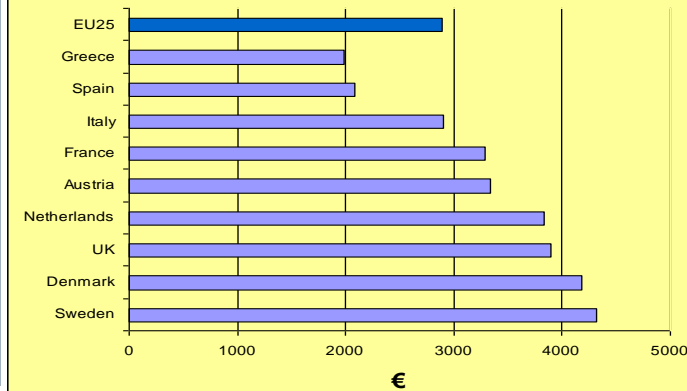
- EU No protection from competition;
- EU Government, companies and private agencies engaged in lifelong learning and management of transitions.

A pre-requisite OR a virtuous circle?

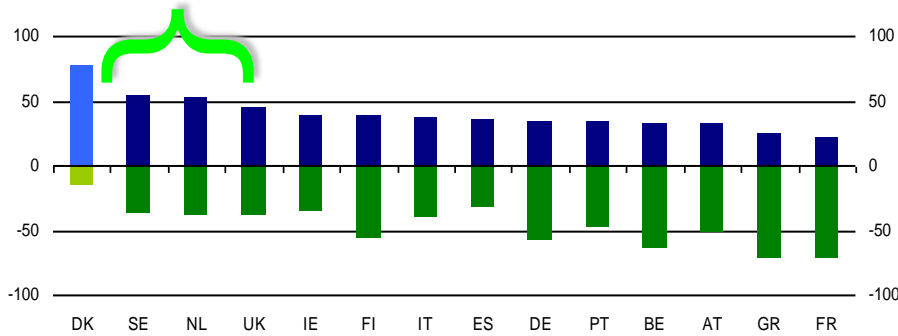
Employment rate - EU10



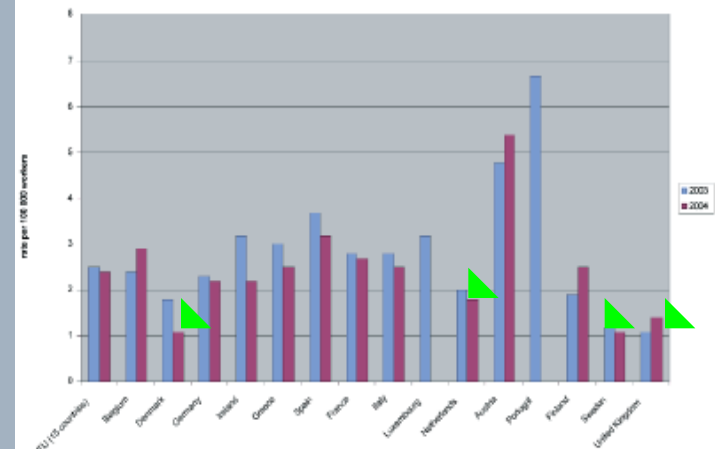
Monthly Labour cost*



■ Globalisation represents a threat ■ Globalisation represents an opportunity



Fatal accidents at work in 2003 and 2004 (eurostat)



Source Eurostat

PLUS gender equality

Shared diagnosis & agenda

- Realistic and shared analysis of current and future issues;
 - Shared diagnosis of approaches to be taken
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Shared diagnosis & agenda

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We saw

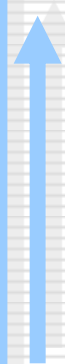
- Some disagreement with analysis (one or both social partners);
 - Some disagreement between social partners on diagnosis;
 - Varying breadth of content in collective agreements;
 - A joint agenda at European level;
 - A joint agenda at the national level in some countries;
 - Mixed analysis and diagnosis in company cases – Aer Lingus vs SHT;
 - Company issues in foreign ownership – Altuglas and T-Mobile
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Current and Future skills gaps

- Investment in young people in schools and universities;
- Investment in lifelong learning;
- Migrant workers with the skills needed.

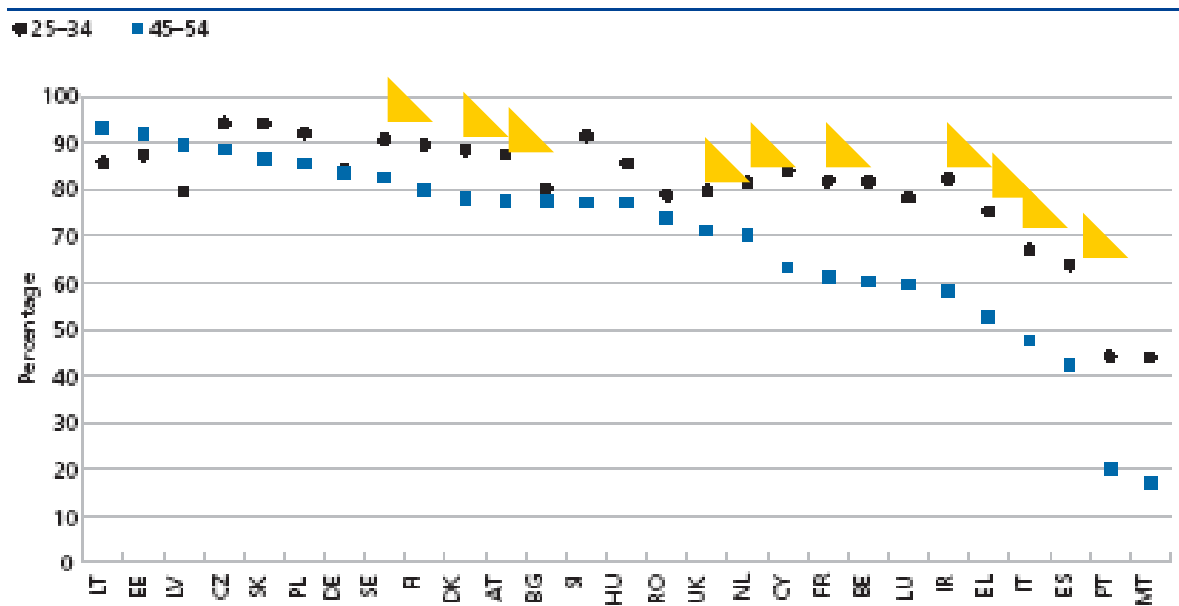
LONG TERM

SHORT TERM



Current educational attainment and recent progress

Population that has attained at least upper secondary education in EU Member States by age group, 2006

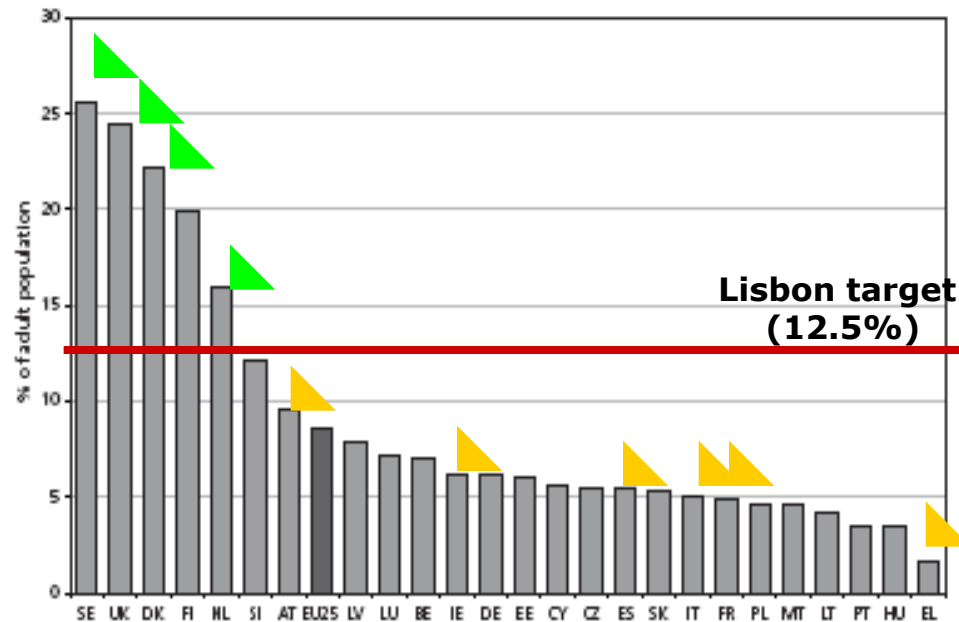


Source: Eurostat (Labour Force Survey).

- Improvement in most countries;
- Investment at low end still not enough;
- Differences in "return on investment".

Lifelong learning

Figure 9 Average percentage of population aged 25–64 years participating in education and training over the four weeks prior to survey, by country, 2000–2005



Note: In calculating the averages for 2000–2005, the 2000 data for Poland and Slovenia and 2000–2001 data for Slovakia, the Czech Republic, Ireland and Latvia are missing.
Source: Eurostat, 2000–2005.

- Much LLL investment takes place in companies not undertaking restructuring;
- Social plans often contain “total emersion LLL”;
- Groups of small companies can cooperate;
- Governments invest in the employed and unemployed workforce.

The Migration dilemma

- 🇪🇺 Distinction between EU27 and third country nationals;
- 🇪🇺 Insertion of people who pay taxes and are “consumers” into areas of skill shortage;
- 🇪🇺 Top and bottom of the skill value chain;

BUT

- 🇪🇺 Illegal immigrants ... “Roma in Italy”;
 - 🇪🇺 Job substitution from nationals at lower pay ... “the Polish plumber”;
 - 🇪🇺 Non – economic migrants ... from failed states outside of Europe.
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The role of the social partners in ...

- Setting migration policy;
 - Integration of migrants;
 - Shaping public opinion.
-

Silent restructuring

Organisational change without significant job loss;

- “More with the same or less” – productivity;
 - Happens every day in most companies;
 - The most successful examples are not captured in restructuring monitors
 - Productivity improvements driven by increasing competition – risk of outsourcing; offshoring; and private equity take-over sharpens the mind;
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Silent restructuring

... in the public sector;

- Pressure to improve services in context of static or declining budgets an identified priority;
 - Background of relatively high security and low change environment;
 - Need for high engagement strategies with social partners and employees;
 - Conflict between changes in contractual terms and securing commitment to changed working practices.
-

Silent restructuring

In SMEs

- 23m enterprises; 99% of companies; 30% of workforce;
 - Concentration in construction, hotels and restaurants and retail;
 - One person SMEs – around a half of total; <10 employees 40% of total;
 - Micro enterprises are not bonsais of medium and large sized businesses;
 - Young, small and micro firms create a disproportionate number of new jobs;
 - Different policy approaches are needed.
-

Silent restructuring

- One person enterprises grow by trading rather than employing;
 - Role of cooperative approaches in clusters and districts important to innovation, skills building and management of transitions;
 - Speed of change in small enterprises combined with enterprise concentration can lead to significant problems e.g. construction
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Role of social partners in;

- Policies to promote SME growth through employment;
 - Dealing with “concentration” effect;
 - SMEs affected by major changes in a “sole client” relationship with a large company;
 - Cooperative arrangements between sectoral or regional clusters of SMEs;
 - Training/learning in SMEs
 - Transition management in SMEs
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