

Joint European social partners'
Work Programme 2006 – 2008

Joint Study on Restructuring
in ten countries in the “EU15”

Summary note of the closing seminar for phase two of the project

ETUC Conference Centre, Brussels,
Belgium

19th and 20th June 2008

Prepared by Alan Wild
ARITAKE-WILD



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

Integrated Programme of the EU Social Dialogue

“Joint Study on Restructuring
in ten countries in the EU15”

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DAY ONE – 19TH JUNE 2008

The project expert coordinator, Alan Wild, welcomed the participants to the seminar and invited Mr Armindo Silva from the European Commission to offer introductory comments from the Commission.

Session one – Introductory comments from the European Commission: Mr Armindo Silva

Countries in the European Union are faced with increasing competition, often from nations with a labour cost advantage. Whilst this is a reality that Europe has to face, the social impact of restructuring can be reduced through the better anticipation and management of change. Europe needs to maximise its competitive strengths and an integrated approach has to be developed that addresses both the opportunities and threats arising from structural change simultaneously.

The social partners are the parties best placed to anticipate change, create common strategies and manage transitions, and this calls for a successful and quality partnership between the organisations representing employers and workers ... this is why the European Commission strongly supports the continued development of social dialogue.

The role played by European Works Councils (EWCs) in the management of international change is indispensable and in this area a key question needs to be asked. Do EWCs have the means to play the role required of them? ... whilst good practices exist, the general answer in the view of the Commission is “no”. The Commission favours change in the EWC Directive for three reasons;

- ✧ Effective consultation of EWCs takes place in just a half of restructuring cases;
- ✧ EWCs face legal uncertainties in the event of mergers and acquisitions;
- ✧ The current Directive dates back to 1994 and needs to be linked to more recent European Directives on informing and consulting workers.

The key role of the European Commission is to create a favourable environment for the anticipation and management of change. Whilst job losses are inevitable, they should be a “last resort”. The state and public authorities have important roles to play but the key actors are the social partner organisations.

Progress can be made in three important areas;

- ✧ *Pinpointing major trends* – identifying the jobs of the future and the skills that will be needed to carry them out effectively;
- ✧ *Awareness raising* – national players need to understand future challenges and the implications of them if they are to undertake cross cutting and integrated initiatives;
- ✧ *International networking* – the social partners can work to pool knowledge and practical experience and to disseminate good policies and practices.

Session two – Introduction to the project – scope objectives and approach: Cinzia Sechi (ETUC) and Jørgen Rønne (BUSINESSEUROPE, also on behalf of CEEP and UEAPME)

The work undertaken for this seminar is one part of the “Integrated Programme of the European Social Dialogue”. Details of the programme and all of the documents prepared for it can be found on the websites of the employers’ and trade union resource centres¹. The closing seminar for this phase of the project (Joint Study on Restructuring in ten countries in the “EU15”) is based upon national reports and discussions between the social partners in a series of ten national seminars held between April 2007 and June 2008.² More than 200 representatives of employers and trade unions in the ten countries attended seminars, and 25 organisations presented case studies.

The synthesis report for this seminar was prepared on the basis of the national reports and discussions by the expert coordinator for the project, Mr. Alan Wild, assisted by the national experts Antonio Dornelas, Eckhard Voss, Valeria Pulignano, Tom Hayes, Göran Hultin and Anna Kwiatkiewicz. The paper is presented as an “expert report”. It represents only the views of the individuals involved in its preparation and does not purport to represent the views of the social partners or case study company employees that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

The purpose of the report is to encourage discussion and debate on the role of the social partners in the process of economic restructuring at the national, sectoral and enterprise levels. The outcome of the discussion will contribute to the next phase of the project and the concluding report and seminar. By the end of the project, national dossiers will have been prepared and been discussed by the social partners in 27 European countries. It is planned to develop an overall discussion document based on the role of the social partners in restructuring in every country in the European Union for consideration by social partner representatives from throughout the EU.

The agenda for this seminar follows the format of the synthesis report. The first session examines briefly the nature of restructuring in the ten participating states. The following four sessions allow national social partner representatives to comment upon and discuss the themes identified by the project experts in their review of the content of the ten national reports. These sessions are chaired by the project experts;

¹ www.erc-online.eu and www.resourcecentre.etuc.org

² This phase of the project (in chronological order of the seminars) involves the Republic of Ireland; the Netherlands; Greece; Italy; France; Austria; Denmark; Spain; the UK and Sweden.

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- ◇ “Flexibility and Security” – chaired by Valeria Pulignano;
- ◇ “Developing a shared diagnosis and agenda” – chaired by Antonio Dornelas;
- ◇ “Dealing with current and future skills gaps” – chaired by Tom Hayes;
- ◇ Two perspectives on “silent restructuring” – focusing on major change without significant job loss – “*Organisational change*” – chaired by Alan Wild; and jobs created and lost in small and micro businesses “*Change below the radar*” – chaired by Eckhard Voss.

At the beginning of day two, Fernando Vasquez will present the restructuring package of the European Commission and the final session of the seminar will provide an opportunity for the leaders of the four European level social partner organisations to make closing comments.

The overall objective of the seminar is to listen to the national presenters and encourage discussion and debate from the floor rather than present a series of speeches.

Session three – Key Themes: Alan Wild

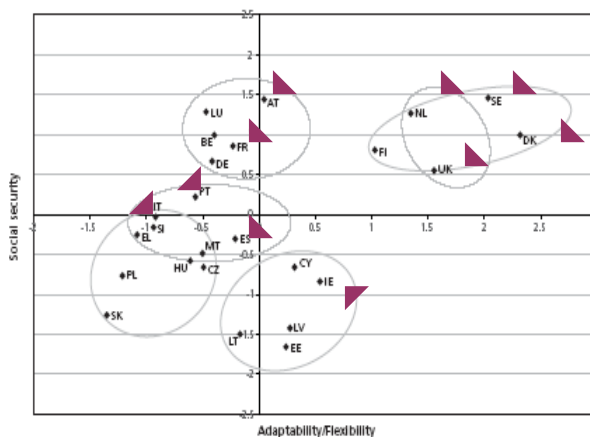
Alan Wild presented an outline of the synthesis report circulated prior to the meeting (attached as appendix one). His presentation took the form of an overview of the main project findings outlining the key themes emerging and drawing the linkages between them (materials attached as appendix two).

He explained that subsequent sessions would follow the format of the four key themes.

Session four – Theme one : “Flexibility and Security

The issues raised in the presentation in section three above relating to flexibility and security were;

- ◇ In measures of flexibility and security examined in the publication “Approaches to Flexicurity EU models” described in detail in the synthesis report, the ten countries in the study fell in all four segments of the flexicurity matrix;



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- ✧ In the high flexibility and high security quadrant (top right) there were three distinct models – Sweden and the Netherlands; Denmark; and the United Kingdom;
- ✧ It was noted that the countries in the high flexicurity/high security quadrant had other things in common. They scored highly compared with the other sample countries in terms of employment rate, high labour costs, high levels of gender equality, a population that sees globalization as more of an opportunity than a threat and a very good worker safety record.

Chair – Valeria Pulignano

Panelists – Preben Folberg (LO Denmark), Massimo Massela Ducci Teri (ARAN Italy), Els Bos (FNV, the Netherlands), Christian Ardhe SN – Sweden)

Massimo Massela Ducci Teri (ARAN Italy) – Explained in detail the role played by the Italian social partners in the restructuring of public services (a summary of this is contained in the Italian national reports). He summarised on the subject of flexibility and security by suggesting that the Italian approach was currently more oriented toward security than flexibility. Supporting older workers in employment in order to secure their pension has been an important priority. More recently however work is being done on retraining and reskilling, including the joint management of training programmes that will lead to employment continuity.

Preben Folberg (LO Denmark) – Management of change in Denmark is dominated by collective agreements rather than legislation with around 80% trade union membership density and 60% employers' organisation density. The Danish model is generally presented as the employer's right to dismiss backed up by strong transition support. In fact dismissal is regulated and it is not always employers that want to implement dismissals at short notice. Workers in the construction sector typically want to leave employers quickly whereas those in engineering prefer to work to longer timescales.

He suggested that flexicurity is not a "goal" of itself – it is a well established mechanism for the management of transitions. The real Danish goal at the moment is "employee driven innovation" to improve the nation's competitiveness. Reflecting the point made in the introductory comments by Armindo Silva, he emphasised the important role played in restructuring in big companies by EWCs.

Els Bols (FNV the Netherlands) – Dutch employers and employees see restructuring as a normal part of everyday life. The trade unions themselves are undertaking their own restructuring programmes. The most important features of restructuring in the Netherlands are the arrangements and agreements reached at local level - and the long standing trend has been the move from negotiating financial compensation to the management of transitions through outplacement support. Long term planning is becoming more important in workforce skill development "*when we have to negotiate a social plan, it is already too late*".

The Dutch economy is marked by the coexistence of high flexibility and high legally based security. Partially as a consequence of this the Dutch economy has the highest levels of part-time working in Europe. Many "one person enterprises" are organised in trade unions but an important issue to tackle in this area is that of bogus self employment.

The challenges facing the Netherlands social partners are improving innovation; increasing worker participation; improving productivity; and securing the shift from "old" to "new" jobs.

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She suggested that the key area for improvement for the social partners is in further promotion of early interventions to support the notion of work security rather than job security.

Christian Ardhe (SN Sweden) – The discussion on the balance between flexibility and security has attracted a lot of attention in Sweden in recent years. In the employers' view Swedish laws need to be further adapted to become more mobility and transition oriented. He suggested that the report was correct in pointing to the differences between Denmark and Sweden but suggested there were also similarities in high levels of public employment; high tax rates; high unemployment benefits; and high levels of trade union membership. Key differences between Denmark and Sweden are in youth unemployment – Denmark has one of the lowest levels in Europe and Sweden has the sixth highest; Mobility – 30% of Danes change job every year whilst only 10% of Swedes do; Speed of transition – 90% of Danish people find a new job with one month of moving whilst 70% of Swedes do.

The acceptance of change as a normal part of life is important. Swedish trade unions tend not to oppose change and formal legal rigidities are replaced by real life adaptability – although adaptability is more accessible to “rich” companies than poorer ones. For this reason he suggested that small and micro enterprises face a “different reality”. Finally, he pointed to the translation in the synthesis of “Job Security Councils” – whilst this might be the literal translation, for other nationalities to understand their real role they should be called “Transition Councils”. One of the strengths of the councils is the financial incentives for participants to find a successful transition early.

In the subsequent plenary discussion the following questions and points were raised;

- ✧ There is a clear distinction between the Nordic and Italian approaches;
- ✧ Denmark is already a benchmark country for the management of change – what is being done to cope even better with future change? The response was that it was the European Commission that called Denmark the country of flexicurity, not the Danes. The system is not perfect and can be improved. For example, the trade unions disagree with the recent initiative to decentralise labour agencies to municipalities. The key for the future is to identify where Danes can compete on the global stage and to focus on those areas.
- ✧ Do the countries presenting make a distinction between internal and external security? – in Spain for example a strong legal framework for external restructuring is needed as the security orientation in companies is under-developed. In response it was suggested that there were tensions in the Netherlands between internal and external flexibility. External flexibility always creates tensions. The nature of security has to refocus on lifelong development both inside and outside the company. In fact the agenda needs to change from a discussion about trade offs between rights and flexibility to one based on the future investment agenda needed to secure competitiveness;
- ✧ The key factor in managing restructuring is the anticipation of change at the enterprise level – if the social partners are not closely engaged in company strategy it is impossible to manage flexicurity. It would be interesting to assess the extent to which strategic engagement is allied with flexicurity;

Session five - Theme two – “Developing a shared diagnosis and agenda”

It was suggested that a cornerstone to effective anticipation and management of change is a shared understanding by the social partners of the issues the national economy faces and the remedies that should be implemented. The extent to which the social partners in the participating countries had a shared view of the issues facing the country and a diagnosis of the approaches to be taken varied widely. In some countries one or both social partners disagreed with the external description, in others the social partners disagreed amongst themselves.

Chair – Antonio Dornelas

Panelists – Fergus Whelan (ICTU Ireland); Sheila Treacy (IBEC Ireland); Fernando Rocha (CCOO Spain); Yannis Tavoularis (SEV Greece)

Fergus Whelan (ICTU Ireland) – Ireland has a very well and long established system for tripartite development of a shared agenda that has formed the basis for a series of national agreements since the 1980's. Irish social partners have agreed that change is inevitable; some traditional industries will not survive; and that the country cannot compete in labour intensive industries. This has not always been the case. The early vision was that Foreign Direct Investment (FDI) would be attracted by low labour costs. The new vision is that investment will follow high wages, high skills and high productivity. This means investing much more in training and in university level education.

The Irish economy has restructured over recent years to the great benefit if the “many” with the reducing manufacturing base being replaced by construction and services. The four main tools for restructuring have been redundancy; effective systems for dispute resolution; a national system for retraining; and the social welfare system.

High levels of “non statutory” redundancy payment in compensation for jobs lost has proved highly popular with industrial workers. Workers have the choice of reaching agreement with high levels of compensation or fighting change with the result of achieving much lower statutory awards. This has been to the detriment of job transition measures.

Sheila Treacy (IBEC Ireland) – complemented on the previous presentation, speaking of the role of government as a facilitator and enabler of change and the important role of the tripartite system. High level engagement in Ireland has led to constructive approaches being adopted by players that have a shared understanding of the situation.

More recently Ireland has faced new economic problems emerging from the effects of the financial crunch on the construction industry and the social partners will need to work on this issue. One area that has proved difficult for the social partners is public service reform. Whilst employers and trade unions agree on the problems they see different solutions.

Finally, an obstacle to developing a more “transition based” approach to restructuring at the level of the enterprise is the fact that many employees prefer redundancy to training. This is an area that the social partners need to work on.

Fernando Rocha (CCOO Spain) – outlined the system of industrial observatories described in both the Spanish national report and in the synthesis report prepared for the meeting.

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The observatories facilitate a shared diagnosis of current and future issues and enable the discovery of important trends. They also play a role in the development of joint recommendations and sometimes action plans. The challenge facing the observatories is to deepen the analysis at sectoral level and to transfer the diagnosis and recommendations onto the collective bargaining agenda.

Yannis Tavoularis (SEV Greece) – asked himself the question why things that are so self evident take such a long time to deliver? Change creates insecurity, and fear of rapid change exacerbates this. Rapid responses are needed, but quick reactions threaten social cohesion. A new vision for the future is needed in Greece. Currently the social partners are working on detailed prescriptions when the outline of the picture has not been drawn.

Progress is however being made. Today the employers engage in permanent dialogue with the trade unions whilst ten years ago they could not be seen by their members to enter such discussions. For the trade unions, diagnoses and solutions that might be agreed behind closed doors still cannot be presented to members.

In the subsequent plenary discussion the following questions and points were raised;

- ✧ A number of participants referred to difficulties faced in gaining member engagement on both sides to a shared agenda. The industrial observatories appeared an interesting way to get the change agenda onto the table at the level of enterprise managers and workers;
- ✧ Trust between the social partners was identified as a key issue in managing change and this is helped if legal frameworks put the social partners on an equal footing in discussions. It was suggested that workers currently were bearing 95% of the cost of the “new European competitiveness”;
- ✧ It is clear that many European companies cannot stay where they are. What is lacking is a clear vision of where they are going with short term change initiatives being based on a clear set of common and understood long term principles;
- ✧ It was suggested that the joint analysis recently undertaken at the European level is a good model for adoption at the national level;
- ✧ The shared agenda should work both “upstream” and “downstream” i.e. both in the anticipation of challenges but also in providing adequate and shared information when job losses are considered. Social partners should be less interested in payoffs than in securing job continuity.

Session six - Theme three – “Dealing with current and future skills needs”

The presentation suggested three solutions to the issue of meeting current and future skills needs. In the long term, the solution rests in investment in young people in schools and universities; in the medium term the solution lies in lifelong learning in the current workforce; in the immediate term skills gaps may be plugged by inward migration. Investment in both education and in lifelong learning varied widely in the participating countries. On migration, a consistent theme was the need for inward migration to fill skills needs but problems with its social acceptability as a solution.

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Chair – Tom Hayes

Panelists – Christian Janin (CFDT France); Benjamin Holst (DA Denmark); Roberto Suarez (CEOE Spain); Leif Dergel (TCO Sweden)

Christian Janin (CFDT France) – highlighted in detail elements of the KODAK case study contained in the French national report where technological development in the film industry had provoked a three year restructuring plan which resulted in 3,000 Kodak workers losing their jobs with the company, but no enforced terminations. The success of the plan was based upon retraining and refocusing on specialised skills.

He suggested a major problem for the French labour market is the 150,000 people who leave school every year with no diploma, of whom 60,000 have no exploitable skill. Better career guidance and increased support for small companies in pooling resources will be part of the answer.

Benjamin Holst (DA Denmark) – the social partners have an enormous role to play in helping educators understand the needs of the labour market. It is only companies that know what the base skills are that they can build upon to develop qualified and productive workers. This issue is particularly important at university level where huge investment is made in producing graduates that companies do not need. Danish Universities have recently set up “demand panels” where academics and business people can talk about the needs of business.

Roberto Suarez (CEOE Spain) – the Spanish social partners reached an agreement on lifelong learning in 2002. The framework of actions has four elements – anticipating change; the recognition and validation of competencies; the need for guidance for those needing to make use of the system; and ensuring resources are focused in areas of most need.

Two areas where the country has skills development shortfalls are the level of dropouts from the education system; and changing the mindset of both employers and workers to buy into the essential nature of the notion of lifelong learning

Leif Dergel (TCO Sweden) – explained that the Swedish philosophy is based on the “*security of the wings rather than the security of the shell*”. He focused on the need for every employee to have a personally tailored approach to job development. The other important issue in transition management is providing time between notice of change and actual lay-off “*creating the time for successful transition*”.

What might be a transferable idea from Sweden is the “Knowledge Boost” system available to school drop outs aged between 25 and 30 designed to improve their labour market prospects. He suggested that like Denmark, they were looking at potential solutions for influencing the education system.

In the subsequent plenary discussion the following questions and points were raised;

- ✧ When skills for today’s workforce are considered it is important not to forget “soft” skills like customer/client service, training responsibility, an openness to change and willingness to learn;
- ✧ Public authorities have an important role to play in assisting employee development in small enterprises where resources are less likely to be available and providing for time off during the working day is more difficult due to staff numbers;

- ✧ A major challenge is for older (45 to 55 year old) people with qualifications that are no longer needed and who need to change sectors;
- ✧ It is important not to underestimate the challenges associated with this topic.

DAY TWO – 20TH JUNE 2008

Session seven – “Presentation of the restructuring package of the European Commission” : Mr. Fernando Vasquez

Restructuring is one of the most important issues on today’s social agenda in Europe. Mr. Vasquez outlined the series of packages to be shortly released by the European Commission (planned for 2nd July) associated with restructuring. Three measures are envisaged;

- ✧ *Revision of the EWC Directive* - the objective of the revision of the 1994 text will improve the management of change by improving the anticipation and implementation of international restructuring;
- ✧ *International Framework Agreements(IFA’s)* – the Commission will release a new document on IFAs in anticipation of an event to be held during the French presidency of the EU on 13th and 14th November in Lyon. The document will provoke continued debate on the issue and the conference will promote an exchange of views;
- ✧ *Restructuring of companies* – A new communication on restructuring will deal with the issues of anticipating change, managing transitions and working in partnership. Partnership issues will go beyond social dialogue between trade unions and employers into broader stakeholder engagement. It is envisaged that a new taskforce will be set up.

Session eight – Two perspectives on “silent restructuring” – Organisational change

It was suggested in the presentation that much organisational change and transformation takes place on a day to day basis and the results are not captured in restructuring monitors as there are few job losses involved. The increasing incidence of outsourcing, offshoring and private equity takeovers has made the likelihood of productivity improvement schemes being tabled by management and discussed seriously by employees more likely. The public sector is an area where organisational transformation has played a significant role in improving service provision and productivity.

Chair – Alan Wild

Panelists – George Dassis (GSEE Greece); Loes Van Embden Andres (VNO-NCW Netherlands); Charles Nolda (CEEP United Kingdom)

George Dassis (GSEE Greece) – was not optimistic about the prospects for transformational change in large Greek companies. There are few of them and international takeovers usually lead to transfers of production rather than efficiency improvements. He gave examples of

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international companies that had announced major job losses in recent times including Goodyear in Thessaloniki, Coca Cola Hellenic Bottlers and Lafarge.

Some good results on transformation in small and micro enterprises are recorded in the synthesis report and the Greek national dossier. These results have been driven more by the cleverness and entrepreneurialism of owners rather than an enabling business environment.

Loes Van Embden Andres (VNO-NCW Netherlands) – silent restructuring is a part of every day management in Dutch works councils where the management of change goes on continually. A number of common tools exist to manage transformational change successfully;

- ✧ Education, training and lifelong learning are the most important features of successful organisational transformation;
- ✧ Works Councils provide an opportunity to discuss and agree a common basis for going forward with change. Here an atmosphere of trust and cooperation is essential;
- ✧ Innovation in productivity, flexibility and the quality of work is essential in order to make the best use of human capital. A new institute has been founded to help employers and trade unions with innovation;
- ✧ “Going from work to work” – reducing fear and uncertainty by providing job security in the transition from job to job. Lifelong learning is a “must” for everyone, but special assistance on top of this is needed for those facing the threat of job loss.

One area of current disagreement in the Netherlands is the appropriate level of legal protection in the event of dismissal.

Charles Nolda (CEEP United Kingdom) – the general perception of most commentators on restructuring is that public services have been a protected zone. This is far from the truth. This is illustrated in the recent CEEP project covering six types of public service in six European countries (Public Services Restructuring and Modernisation through effective Social Dialogue and Human Resource Management).

He illustrated five kinds of organisational change;

- ✧ Reorganisation – a good example is the Danish local government geographical reorganisation described in the Danish national report;
- ✧ Privatisation – has been a significant issue in almost all European countries over the last 25 years;
- ✧ Productivity improvements – delivering “more for less” and “better accountability”;
- ✧ Job content changes – like those in the police, education and health services where traditional roles have been rebuilt to help the most skilled employees focus on areas of skill and to provide development opportunities in other occupations;
- ✧ Change by force-majeure – restructuring brought about by substantial changes in demography like ageing, increased migration and the changing needs of business.

In the UK change has been driven largely by policy decisions of central government that have to be implemented locally. Whilst this provides overall policy coherence and a driver for change, it risks alienation of those involved at the local level that do not share either the ideology or the approach chosen by central government. A good example where change has worked was in the tripartite engagement of government and social partners in education change. A poor example was the approach adopted by the UK government of the 1980’s for compulsory competitive

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tendering for public services where contracts had to be awarded to the lowest bidder - where in some circumstances service levels deteriorated and the terms and conditions of employment of workers suffered.

In conclusion Mr. Nolda suggested that it is easier to introduce change where there is consensus amongst those involved; where strong trade unions are engaged in the change process through social dialogue; and where it is clear that simply saying “no” will not prevent change happening – “TINA” (there is no alternative).

In the subsequent plenary discussion the following questions and points were raised;

- ✧ The value added in subcontracting public service to the private sector was questioned in the context of price vs. quality;
- ✧ Successful internal change requires new managerial skills;
- ✧ Transformation in the traditional Spanish textiles industry has been helped by support from the European globalisation fund. This might be an approach that would suit Greece;

Session nine – Two perspectives on “silent restructuring” – Change below the radar

The significance of small enterprises to the success of the European economy and their role in its transformation was highlighted. In the same way that micro enterprises are not “bonsais” of large organisations, their approach to change differs. Small enterprises can rarely afford generous social plans and retraining initiatives; their job losses often fall below the radar of official statistics; and yet the concurrent scaling down of multiples of small enterprises in a particular sector or geography can have huge aggregate effects.

Chair – Eckhard Voss

Panelists – Andreas Henkel (WKO, Austria); Vincenzo La Corte (CGIL Italy)

Andreas Henkel (WKÖ, Austria) – detailed further the cluster approach described in the synthesis report and the Austrian national report. He explained that the approach was expanding rapidly to other regions and to other parts of the EU e.g. Germany, Italy and Hungary. A major SME initiative in Austria is the training of around 300,000 people per year to improve current productivity, employability and to assist in transition management. This is perhaps easier in Austria where membership of the Austrian Economic Chamber is mandatory. He explained that it is not possible to do what is necessary in this area without sound funding and either “free” or “compulsory” membership of the agents of representation and delivery.

Henkel described briefly an additional issue in the small and micro sector - informal work. As an example it was estimated that 80,000 Bosnians entered Austria after the war and they just “melted away”.

Vincenzo La Corte (CGIL Italy) – illustrated the importance in Italy of the small business sector and of the industrial districts described in the Italian national report. Special levels of support and intervention have been devoted to the industrial districts to support SME restructuring. He particularly pointed out the links between the industrial districts with universities and cooperative

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efforts to promote lifelong learning. Small enterprises are often the engines of innovation in a sector or industry, and Mr La Corte pointed to the evidence of large multinationals owing much of their innovation to the activities of small enterprises.

Following the presentations there was limited time for questions and comments, but the key issue raised was in the face of increasing competition internationally combined with increasing food and energy prices “what will enterprises transition into?”

Session ten – Closing plenary comments

Chair – Alan Wild

Commentators - Philippe de Buck (BUSINESSEUROPE); Rainer Plassmann (CEEP); Andrea Benassi (UEAPME) and John Monks (ETUC)

Philippe de Buck (BUSINESSEUROPE)

Opened referring to the relevance of the Austrian WKÖ logo which contains the words (in German) UNDERSTAND, THINK, ACT ... as watchwords for the social partners at a time of continuous change and adaptation. This is particularly the case where the speed of adaptation is becoming more and more important.

He explained that there are many different forms of restructuring that involve things other than downsizing. We tend to focus on the negative sides but there are many positive aspects that we can learn from. The fact that Europe is creating more jobs that it loses says something about Europe’s success. International relocations account for just 10% of restructuring in Europe. It is clear that at the macro level globalisation is more an opportunity than a threat for the EU. Europe’s businesses need to plan for the BRIC (Brazil, Russia, India, China) economies being more important than the G7 in 10 years time.

Against that background social dialogue is an important process in the management of change and in securing change without damaging blockages. He explained that BUSINESSEUROPE was looking forward to the revision of the EWC Directive with the aim of improving dialogue at the company level. It is important to make improvements without adding the kind of unnecessary details that will kill effective dialogue. Likewise BUSINESSEUROPE is prepared to engage and contribute positively to the new communication on restructuring when it comes out.

Rainer Plassmann (CEEP)

Spoke primarily about “silent restructuring” in public services where there were many good examples to celebrate and learn from. He described the Dutch education initiative involving local decentralisation of budgets and its effects on education standards in the country. It was too easy in discussions of restructuring to focus on critical cases that are sometimes “hopeless” at the expenses of learning from more successful initiatives.

Mr. Plassmann explained that restructuring in public services is often top down and driven by competition, legislation, the changing nature of service provision, budgets and popular demand. His view was that much more public service restructuring was on the way in many European countries.

For Plassmann, effective social dialogue is essential to the process by integrating employees and their representatives at the organisational level in change and by setting an enabling framework and atmosphere at the European level. In particular we should strive at the

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European level to exchange good practices - especially in anticipatory measures; and encouraging a new approach to management that might require new types of managers. He cited the La Poste example in the French national dossier and synthesis report as an approach that contained three clear stages;

- ✧ WHY – creating and understanding of the need for change;
- ✧ SUPPORT – helping everyone through the change process;
- ✧ FOLLOW UP – maintaining the change momentum to the end.

Andrea Benassi (UEAPME)

Explained that the section and examples of the report on SMEs provided a number of points for reflection and discussion. Europe's business employs an average of just 4.8 people and he echoed the point in the dossier that we should be focusing on very small enterprises. Flexicurity is important for SMEs but it takes on a very different character to the form it takes in large companies.

His concern is that the burdens of doing business are increasingly falling disproportionately on small companies when their ability to deal with the issues arising and national legal frameworks is taken into account. Here the social partners have to act as interlocutors and provide a different type of support to small companies. He suggested that in the macroeconomic view of flexicurity SMEs were often the "flex" side of the equation and that role needs to be recognised and supported. The promotion of innovation is key to the success of the small business sector.

He concluded by suggesting that too many small companies are not only "under the radar" but "under water" as well.

John Monks (ETUC)

Opened by saying that the trade unions cannot oppose change nor can they stop it. The question is how to manage restructuring better – and to the benefit of all stakeholders rather than the few. It is important not to oversimplify restructuring – it is a complex and multi-faceted issue with no quick fixes.

Monks hoped that as a result of this overall exercise we can at least find ways to ease the pain associated with restructuring rather than exacerbate it. Sometimes however the unwillingness of employers to engage with the social partners does not help ... and he cited the NOKIA Bochum plant example as one which had created a public outcry.

In summary restructuring is "the most difficult situation facing labour relations today" and he hoped that the lessons learned through this project would help take one step forward in what will be a "never ending journey".

At the end of the meeting, the speakers, panelists, commentators and participants were thanked for their attendance at the meeting and for their positive engagement in the seminar and the whole process of the project. Both BUSINESEUROPE and ETUC were thanked in particular for the arrangements they had put in place that facilitated the meeting, and the interpreters thanked for making the exchange of views that had taken place possible.



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

Appendices

1. Synthesis report – Joint study on the role of the social partners in restructuring in ten countries in the “EU15”;
2. Presentation materials – “Key Themes” presentation;
3. List of participants.

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19th and 20th June 2008 - ITUH Building, Boulevard Albert II, n.5, B-1210 Brussels

DAY ONE – 19 th June 2008		
0900 – 0930	Registration and welcome	
0930 – 0945	Opening comments from the European Commission	Armando Silva, <i>European Commission, DG Employment</i>
0945 – 1000	Introduction to the project - scope, objectives & approach.	Jørgen Rønneest (<i>BUSINESSEUROPE</i>) and Cinzia Sechi (<i>ETUC</i>)
1000 – 1030	“Key Themes” – An overview of the main project findings outlining the key themes emerging and drawing the linkages between them.	Alan Wild <i>Project expert coordinator</i>
1030 – 1100 Coffee Break		
1100 – 1230	<p><i>Theme one</i></p> <p>“Flexibility and Security” – The participating countries adopt very different practical and policy approaches to the issues of “job protection” and “job transition”. The panellists will review the current approaches taken and the roles played by the social partners on internal and external flexibility and security in their country through social dialogue.</p>	<p>Chair: Valeria Pulignano <i>Project expert</i></p> <p>Panellists: Preben Foldberg (<i>LO, Denmark</i>) Massimo Massella Ducci Teri (<i>ARAN, Italy</i>) Els Bos (<i>FNV, The Netherlands</i>) Christian Ardhe (<i>SN, Sweden</i>)</p> <p>Followed by plenary discussion.</p>
1230 – 1400 Lunch		
1400 – 1530	<p><i>Theme two</i></p> <p>“Developing a shared diagnosis and agenda” – For the social partners to play an effective role in the management of restructuring it is important to have a shared diagnosis of the problems facing the economy; to predict and anticipate change; and to develop a shared agenda. The panellists will comment on their successes and failures in current and predictive analyses of restructuring in their countries.</p>	<p>Chair: Antonio Dornelas <i>Project expert</i></p> <p>Panellists: Fergus Whelan (<i>ICTU, Ireland</i>) Sheila Treacy (<i>IBEC, Ireland</i>) Yannis Tavoularis (<i>SEV, Greece</i>) Fernando Rocha (<i>CCOO, Spain</i>)</p> <p>Followed by plenary discussion.</p>
1530 – 1600 Coffee Break		
1600 – 1730	<p><i>Theme three</i></p> <p>“Dealing with current and future skills needs” – The social partners in every participating country highlighted current skills mismatches; future skills needs; or both. Raising standards of educational attainment provide part of the long term answer; lifelong learning initiatives work faster and assist the current workforce to manage transitions; and for some countries inward migration of workers holds the key to the filling of more immediate skill shortages. The panellists are asked to present how they have addressed these challenges and the role that social partners play in matching the current workforce with the skills needs of the future.</p>	<p>Chair: Tom Hayes <i>Project expert</i></p> <p>Panellists: Benjamin Holst (<i>DA, Denmark</i>) Christian Janin (<i>CFDT, France</i>) Leif Dergel (<i>TCO, Sweden</i>) Roberto Suarez (<i>CEOE, Spain</i>)</p> <p>Followed by plenary discussion.</p>
1730 – 1745	Summing up of Day one and close	Alan Wild <i>Project expert coordinator</i>

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DAY TWO - 20 th June 2008		
0900 - 0930	“A perspective from the European Commission” – presentation of the restructuring package of the European Commission.	Fernando Vasquez, <i>European Commission, DG Employment</i>
0930 - 1045	<p><i>Theme four – two perspectives on “silent restructuring”</i></p> <p>“Organisational change” – Much of the focus of restructuring falls on either job losses or outsourcing. Less attention is devoted to change that takes place within the workplace when existing employees are asked to “do things differently”. Social dialogue plays a key role in facilitating this kind of change and the panellists are asked to discuss the role they have played in bringing about internal change and the problems they have faced.</p>	<p>Chair: Alan Wild <i>Project expert coordinator</i></p> <p>Panellists: Loes Van Embden Andres <i>(VNO-NCW, Netherlands)</i> George Dassis <i>(GSEE, Greece)</i> Charles Nolda <i>(CEEP-UK)</i></p> <p>Followed by plenary discussion</p>
1045 - 1100	Coffee Break	
1100 - 1215	<p><i>Theme four (continued) – two perspectives on “silent restructuring”</i></p> <p>“Change below the radar” – Jobs lost in small and micro businesses do not appear in restructuring statistics and small companies are often the least able to provide support for those that lose their jobs. The panellists will discuss the role of the social partners in promoting employment creation by small businesses and supporting transition. In particular they will address the following topics:</p> <ul style="list-style-type: none"> ◊ From employers to international traders - small enterprises and offshoring; ◊ The role played by “industrial districts” in promoting innovation and supporting transition. 	<p>Chair: Eckhard Voss <i>Project expert</i></p> <p>Panellists: Vincenzo La Corte <i>(CGIL, Italy)</i> Andreas Henkel <i>(WKÖ, Austria)</i></p> <p>Followed by plenary discussion.</p>
1215 - 1315	Closing Plenary Comments	<p>Chair: Alan Wild <i>Project expert coordinator</i></p> <p>Panellists: Philippe de Buck <i>(BUSINESSEUROPE)</i> John Monks <i>(ETUC)</i> Rainer Plassmann <i>(CEEP)</i> Andrea Benassi <i>(UEAPME)</i></p>
1315	Close and Lunch	

**Joint project of the European social partner organisations
"Study on restructuring"**

<p>FINAL LIST of PARTICIPANTS</p> <p>Synthesis Seminar in Brussels 19-20 June 2008</p>
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<i>Nr</i>	<i>Name</i>	<i>Organisation</i>	<i>Country</i>
1.	Almosetoft, Karsten	<i>DI</i>	<i>Denmark</i>
2.	André, Maria-Helena	<i>ETUC</i>	<i>EU</i>
3.	Antemir, Cristian	<i>CNS Cartel Alfa</i>	<i>Romania</i>
4.	Ardhe, Christian	<i>SN</i>	<i>Sweden</i>
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6.	Bardani, Irini	<i>SEV</i>	<i>Greece</i>
7.	Benassi, Andrea	<i>UEAPME</i>	<i>EU</i>
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11.	Bos, Els	<i>FNV</i>	<i>Netherlands</i>
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14.	Cattero, Bruno	<i>Universita del Piomente</i>	<i>EU</i>
15.	Čechová, Alice	<i>SPCR</i>	<i>Czech Republic</i>
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22.	Dassis, George	<i>GSEE</i>	<i>Greece</i>
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25.	Dergel, Leif	<i>TCO</i>	<i>Sweden</i>
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34.	Hedenström, Bengt	CEEP	Sweden
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44.	Kolev, Kamen	BIA	Bulgaria
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55.	Pedelabat, Patricia	European Commission	EU
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90.	Whelan , Fergus	ICTU	Ireland
91.	Wild , Alan	Project Expert	EU
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