



Innovative Restructuring – European Networks of Experts

Socially responsible restructuring in the context of the present crisis

Final report

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Introduction

1. Restructuring in the present context - what is IRENE about?

Restructuring has been a consistent issue for European societies for decades and it embraces different aspects. Long considered by many as a temporary crisis, restricted to company level only, with major impact on employment and jobs, restructuring is, indeed, much more complex. For managers, trade unions and employees alike, restructuring covers a wide range of changes, affecting at least a whole organizational sector or an entire company in the forms of closure, downsizing, job losses, outsourcing, off-shoring, sub-contracting, merging, delocalisation, internal job mobility or other complex internal reorganizations. However, it usually means downsizing, closing factories and dismissals for employment services and territories.

Even combined with past and present crises, restructuring is no longer a one-shot phenomenon; it is a recurrent and continuous process requiring constant adjustments. In recent times, the debate on enterprise restructuring in the EU has focused primarily on finding ways to cope with the challenges of the globalised market conditions and increased competition with countries outside the EU with different regulations.

Many drivers, such as technologies, survival, competitiveness and also the pure search for short term profit, are at stake. The present financial and economic crisis is more than a tsunami and combines many features and again brings restructuring to the top of European agendas, quickly reducing the differences in its perception among Member states, especially for those who, up to now, considered that it was almost over in Central Europe.

But the crisis only leads to a “scene of change”, without providing a clear Europe-wide framework to challenge answers, responsibilities, methods and resources relating to change. How should one react to a predictable long recession? How consistent are our social buffers when unemployment, inequalities and poverty return? Do we need to rethink frameworks and practices? To what extent must the consequences of the world’s financial crisis be supported by organisations and individuals not directly responsible for it?

Bringing together outcomes, partners and actors from previous European projects¹, the IRENE project, which is supported by the EU, started in 2007 and aimed at answering some of the following questions:

- Bringing together practitioners from different backgrounds (national, professional, etc..) to both peer-t-peers and multi-stakeholders debates
- Discussing the state of the art in relation to responsible restructuring and identifying the main limits and barriers that need to be overcome
- Setting out guidelines for necessary moves towards innovation and better governance, including cross national “recommendations”.

¹ Mainly **MIRE** – Monitoring Innovative Restructuring in Europe, 2005-2007, co-ordinated by Syndex in France with ASTREES, IAT, IPG, IMIT and WLRI as partners, looking at a range of case studies that covered the role of EWCs in restructuring; **AGIRE** - Anticiper pour une gestion innovante des restructurations en Europe, 2005-07, co-ordinated by Groupe Alpha in France with Labour asociados and GITP as partners. Other projects include MOOS – Making Offshore Outsourcing Sustainable – 2004-2006 supported by UNI-Europa and co-ordinated by the HIVA research institute at Leuven University; ; GLORI – Globalisation and Restructuring and Industrial Relations, 2006-07 – co-ordinated by IRES in Italy with WLRI as partners and supported by EMCEF.

IRENE organised five main workshops, each of which held two meetings in 2008 focusing on particular groups of actors and practitioners: employment services specialists, territorial actors, managers, trade unionists, European employee representatives and health experts. The final report was submitted for discussion and amendments to a panel of IRENE partners and participants during a multi-stakeholder workshop held at the end of the project.

IRENE conclusions are modest and made by practitioners. They do not reflect official opinion, regardless of their provenance, but instead attempt to provide some “practical” points of view in both on-going European and national debates.

Altogether, 125 participants from 15 countries² contributed to the IRENE project on a voluntary and non-profit basis. They looked into their practices and not only highlighted any successful innovations but also any barriers, and obstacles, often coming from their own routines and structures. They draw attention to hypotheses for the future and declared their readiness to be involved in further activities, including exchanges, support and counselling. Therefore, the present report includes:

- a description of workshop dynamics
- specific contributions from the five groups of actors
 - o Managers
 - o Trade unionists and members of European works councils
 - o Employment services actors and specialists,
 - o Local and regional actors
 - o Health practitioners and experts
- a list of major issues, often neglected when restructuring occurs

2. Workshops dynamics

Most partners of the IRENE project had already been partners in previous European projects, mainly MIRE and AGIRE, funded by the EU³. Those projects embraced a lot of issues and recommendations and IRENE aimed to assess their feasibility with practitioners and to check how promoting a multi-stakeholder approach could be developed. Therefore IRENE was designed to include:

- Dynamics based on a peer-to-peer approach via 5 workshops set up for specific groups and methods using case studies, presented by workshop participants
- A multi-stakeholder steering committee which
 - o Established a common work structure
 - o Discussed the midterm and final outcomes
 - o Organised an open session for European actors (Commission, Dublin foundation, social partners, etc...)
- A workshop organisation shared by 2 or 3 partners from different countries and various professional backgrounds

² Belgium, Bulgaria, Finland, France, Germany, Italy, Macedonia, The Netherlands, Poland, Portugal, Romania, Slovenia, Spain, Sweden, United Kingdom

³ Through ESF article 6

- A final multi-stakeholder workshop to discuss the draft report with all project partners involved and a panel of participants from the 5 groups of experts.

What did IRENE workshops consist of? What issues did they discuss?

Managers' workshops

Managers and company workshops were organised by IMIT (Sweden), BPI Polska (Poland) and GTP (The Netherlands) to actively stimulate exchanges among 15 HR-managers from 9 different participant countries. The two workshops were set up as a process.

Workshop 1					Workshop 2				
Introduction	Identification of problems related to restructuring	Input from previous EU-projects	Exchange of experiences between participants	Identification of lessons learnt and questions for next workshop	Problem inventory: What has happened since the last time?	Input from previous EU-projects	Exchange of experiences between participants	Identification of lessons learnt and final conclusions	Reporting to steering committee

The purpose was to make sure that participants got to know each other, to facilitate learning and to encourage the exchange of experiences. The workshops were announced under different themes. The objective of the first workshop – “*Social innovation and restructuring: adapting to on-going change*” – was to stimulate hands-on exchanges between participants regarding innovative restructuring practices. The purpose of the second workshop – “*Pan-European Restructuring*” – was to encourage participants to take a more macro/European view of restructuring and to step out of their normal perspective so that they could see their own activities in a different light.

The workshops provide a meeting place for people who are working on similar things and allow participants to learn from each other. The workshop also created a good arena for distributing, discussing and validating the results from previous projects (Agire and MIRE). Another important tangible outcome of the process was the CVs of the participants, which may work as a database for future projects.

They also made suggestions for continued exchanges through:

- Profiled thematic meetings, including representatives of the same company from different countries (possibly different sectors and different nationalities)
- An inventory of documents related to the restructuring process to be put on a website
- Drafting “change scenarios’ or “restructuring scenarios”
- “Consulting services” provided by members of the group – it is possible to seek advice by calling each other or sending an email about country-specific solutions.

Trade union and European works council workshops

Trade union officers, shop stewards and EWC delegates came from 10 different countries⁴, bringing their own experiences and backgrounds. Nearly 30 people were involved in the two international initiatives organised by the Working Lives Research Institute (UK) and IRES (Italy).

Most participants had the opportunity to make a short presentation on either the general situation in their country in terms of restructuring (Italy, Romania, Poland) or on a more specific issue – regional government/development and trade unions (UK, Spain-Catalonia), EWCs and consultation and

⁴ Bulgaria, France, Ireland, Italy, Poland, the Netherlands, Romania, Spain, Sweden, the UK

negotiation (Sanofi-Aventis, Clariant, GSK, ST Microelectronics), company restructuring policy (Ericsson, Nokia, Electrolux, Palmolive).

A number of important points were made and questions raised about the role of EWCs. There was also a discussion about the need for trade unions to develop a number of strategies in response to different, changing circumstances – whether a company is proposing a plant closure, relocation, job cuts, outsourcing or any other form of restructuring.

The dynamics of the workshop led to a new project, called EsPERER - “European works councils: Planning Effective Responses to Restructuring”, with the support of EMF and UNI-Europa, which aims to bring together EWC representatives to discuss the main challenges and innovations relating to restructuring.

Territories workshops

Complementary subjects were debated in both workshops organised by ASTREES (France) and Labour asociados (Spain). The first covered the perspective of presenting instruments towards restructuring and revitalisation in the territory, whilst the second dealt in depth with the possible forms of cooperation, actors and levels. The main subjects debated could be summarised as follows:

- Is the territory, considered as the "employment area", a relevant framework to think of economic change?
- What are the crucial periods to think about the territory from a restructuring perspective? The time of adjustment? The time of revitalization?

To exchange views and answer these questions, 24 actors and experts from 8 different countries attended the two workshops organised in Paris and Barcelona. At the end of the workshops, they drafted a set of guidelines and approximations for future discussions, including issues like integrated approaches, competition between regions, the role played by European policies in the restructuring of territories, the specific impact of restructuring in urban areas etc...

Employment services workshops

Organised by IAT (Germany) and Labour asociados (Spain), the workshops dealt with different contents, although the topics to be debated were of a transversal nature, and brought together 41 participants from 11 countries. The first, held in Gelsenkirchen (April 3rd-4th 2008), was aimed at the experience of internal labour markets. The second (June 9th-10th 2008 Seville, Spain) was more focused on the perspective from Public Employment Services (PES).

The two approaches chosen show two very diverse realities. The increasing importance of private internal services in undertakings (internal labour markets) is probably related to the structure and size of (large) undertakings that reorganise their structures towards optimisation. In other countries such as Spain, or other countries in southern Europe, the business fabric is not so prone to these experiences and PES continues to play a role, albeit contested, in the restructuring process.

Studies, researches and business experiences were presented by each person in charge. The discussion was open and in general each of the key topics was moderated by people belonging to the organisation or by distinguished experts. In the case of Seville, there was support from the regional government of Andalusia, which provided simultaneous translation services and other logistical issues.

Health workshop

Organised by IPG (Germany), ANACT and ASTREES (France), the “health workshop” met twice, in Paris and Bremen. There were 15 participants, mostly experts in occupational health, from France, Germany, Poland, UK, Slovenia and The Netherlands. Their discussions focused on two major topics:

- Why is health so poorly regarded, when restructuring occurs? What are the underlying obstacles?
- What innovative approaches could help produce a healthier restructuring?

The discussions were fed by the outcomes of previous European projects relating to restructuring (MIRE, SOCOSE⁵) and by relevant case studies:

- Innovative management approaches to health by companies (Quotac, Vandemorteele, Start Zeitarbeit NRW) (both traditional profit- and transfer-companies in Germany)
- How should OHS approaches be reformed (Poland, Slovenia, the Netherlands)?
- Defence and health care sectors (France) under restructuring: how will this affect health?
- Innovative trade union approach towards stress and forced mobility (France).

Besides substantial workshop conclusions, most of the participants were also interested in going deep into health and restructuring issues. Therefore, together with the HIRES⁶ project, they decided to submit a new proposal to the EU called “HIRES PLUS”, which was aimed at organising national workshops in 13 EU member states focusing on restructuring and health and aiming to increase the awareness of key actors and to discuss HIRES and IRENE conclusions.

Although the workshop dynamics were different, they shared the same spirit: a will to learn from each other, a need to address serious issues related to restructuring in the most open way possible, a commitment not to avoid obstacles and to increase European networking as one of the most fruitful and efficient methods to innovate with tangible outcomes.

⁵ SOCOSE:

⁶ HIRES – Health in Restructuring, 2007-08, co-ordinated by the University of Bremen with support from ASTREES and participation by WLRI.

Chapter 1

Companies and Managers workshops

Main outcomes

by

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Workshops' coordinators

This chapter summarises the conclusions from the two workshops. We will first describe the main issues discussed during the workshops and the innovations and barriers that need to be overcome in order to resolve the problems. Finally, we will describe the lessons learned and the tangible outcomes of the workshops.

The objective of the first workshop – “*Social innovation and restructuring: adapting to on-going change*” – was to stimulate hands-on exchanges between participants regarding innovative restructuring practices. The purpose of the second workshop – “*Pan-European Restructuring*” – was to encourage participants to take a more macro/European view of restructuring and to step out of their normal perspective and to look at their own activities in a different light.

Social innovation and Pan-European Restructuring

The company and managers workshop attempted to tackle two main issues. The first question concerns the notion that restructuring has become a more common and continuous activity for European companies. This is particularly true for larger companies. Due to the importance of ensuring a return on investment and to attract capital from stock markets, multinational companies continuously consider restructuring as a way to create better performance. It is therefore more relevant for companies to develop their professional knowledge about restructuring. It is also in the large companies where new and innovative practices are developed. Since large multinational companies conduct restructuring in several countries, the experience developed in these corporations are thus crucial for the development of a better European restructuring practice.

The purpose of the first workshop was therefore to provide an arena for employer representatives actively involved in restructuring to share their experiences with others and to further develop their practices and, thereby, contribute to a better European restructuring practice. In the workshop we focussed, not on identifying the best practices, instead we highlighted common issues encountered across national divides by employers faced with restructuring and tried to identify differences among different European countries.

Pan-European Restructuring

The second issue was concerned with the specific conditions related to what we call Pan-European restructuring, i.e., when a company is restructuring in several European countries at the same time. The creation of single markets, globalization, deregulation and productivity pressures, often necessitates restructuring by some European firms. It is often acknowledged that Multinational Corporations close plants or downsize without consideration to local interests, rules and regulations. Restructuring decisions are also often taken in foreign headquarters with limited possibilities for local actors to influence. This means that it is difficult to deal with this problem on a European level, because of divergent political interests and positions on what is a good way to regulate European labour markets. The problem is that there is a risk that, in the long term, employers may decide to allocate production to such territories and areas that offer a favourable "business environment", i.e., less strictly regulated and more permissive when it comes to restructuring.

However, in the competition for direct investment, this may lead to a continuous race to the bottom, where nation states and regions compete to offer the least regulated business environment, which, in turn, may have devastating effects on workers, trade unions and actors who are interested in promoting sustainable development in their territorial area. In a more general sense, cross-national restructuring challenges the ambition to achieve the objectives of the Lisbon agreement: the combination of a competitive knowledge economy and a sustainable social Europe.

However, a review of the literature shows that little is known about the restructuring practices in MNCs. Their activities across national borders are even less documented. Furthermore, there are, indeed, only a few arenas to actually share experiences between companies across borders. The purpose of the second workshop was therefore to investigate the case studies of the MIRE and AGIRE projects and the experience of restructuring among the participants in the workshop, so as to identify any possibilities for further development of a responsible Pan-European Restructuring practice through the exchange of experiences among MNCs. The notion of Pan-European restructuring implies that multinational corporations should help establish better standards and practices for restructuring across national borders, or at least, should not contribute to lower the standards across countries – thus producing a race to the bottom. A number of questions were raised: What characterizes the restructuring process in Multinational Corporations? Under what conditions do they innovate? Under what conditions can experience of restructuring in MNCs contribute to the creation of a more responsible practice of restructuring in Europe?

Barriers and innovations

The exchange of experiences shows that there are similarities regarding experiences and the restructuring process in different countries. While legislation, research and policy measures often focus on national distinctive features, future activities should not exaggerate national differences. People who work with restructuring every day often face very similar realities across national borders.

However, in the new member states, dealing with the consequences of restructuring is a relatively new phenomenon. Some of the programs, issues and related attitudes that are well established in the old member states are new. At the same time the conditions for restructuring in the old member states are changing: perfectly profitable companies are being downsized because they do not meet benchmark performances.

Multinational corporations have a particular role to play in European restructuring. The larger the company, the more often it has to deal with problems of restructuring. As MNCs often have an extensive knowledge of restructuring, permanent restructuring units and formalised restructuring plans, they, therefore, have an important role to play in sharing and spreading their restructuring experiences. MNCs may also play an important role as laboratories for testing new restructuring practices and as role models for smaller firms to imitate and copy. Since MNCs often act as role models or as trendsetters in the labour market, establishing the norms of how restructuring should be practiced beyond the scope of labour market legislation, and since large companies often operate in several countries, they have a particular role as innovators and standard-setters across borders. *It is therefore important to continue exchanging restructuring experiences among large multinational companies, in order to foster further development of restructuring practices in a European context.* Such exchanges among HR-professionals would stimulate the establishment of professional norms regarding restructuring: What does it mean to be professional when managing restructuring and change?

One barrier for cross-national exchanges of experiences among HR-professionals is the lack of up-to-date information on restructuring conditions in different European countries. The workshop came with several suggestions to overcome these barriers:

- To develop some kind of database or website with basic information about labour market regulation and restructuring practices among all European countries.
- To create a toolbox to support actors involved in restructuring in the European context.
- Barriers for creating better restructuring practices may also be internal, i.e. within the company. We have found that experience and knowledge about restructuring need to be spread within organizations and across departments. For example communication between HR professionals and finance departments is crucial, especially during restructuring processes; sometimes financial department representatives may be involved in negotiations with trade unions without really being aware of the realities of restructuring.
- Companies working with external consultants during restructuring should also adopt a more proactive attitude: – it should be a negotiated process and not just a question of adapting ready-made solutions.

Pan-European Restructuring

One of the most interesting emerging issues arising from this process regards what we would like to call “Pan-European Restructuring”, i.e., companies restructuring in several European countries at the same time, assuming that restructuring activities should be coordinated among different countries. We have to admit that Pan-European restructuring is NOT taking place to the extent that we initially expected. Most companies tend to organise their restructuring processes nationally, with limited interaction and exchanges across national borders. Nevertheless, it seems as if Pan-European restructuring is an emerging issue in several companies and the examples and experiences of such practices turn out to have important consequences for employers, trade unions and, potentially, their employees. However, while the consequences of pan-European restructuring are local and need to be dealt with at a local level according to local rules, there are several cross national dimensions and barriers that have to be overcome:

- International management is not always aware of international aspects: they take their own nationality with them and they don't understand the conditions of restructuring in other countries.

- Another problem concerns the role of parent companies in relation to their sub-divisions. If companies are serious about their social responsibility policies, how should the parent company of multinational companies manage national differences in the implementation of their policies?
- On a more general level there is a danger that employers start to think strategically when deciding upon where to invest in new production and place investments in countries with a seemingly less restricted “restructuring regime”, even if the restructuring process turns out to be more difficult. There may be a race to the bottom. This problem is particularly problematic, considering non-European owners and investors who have little knowledge and experience of European restructuring and who may have preconceived ideas about the difficulties or ease with which restructuring can be implemented in a particular country, which may be detrimental to the country’s development.
- This is why the companies and managers workshop suggested that more effort should be put into gathering information about restructuring practices in all European countries, in order to provide better information for actors about European restructuring conditions and, in particular, to inform non-European investors about the peculiarities of the European market and the European approach to restructuring.
- The harmonization of restructuring practises seems to be done already. The challenge is now to coordinate it at pan-European level – a pan-European toolbox taking into account legal and cultural differences can be designed as a result of future networking. An attempt may be made to define some standards
- Furthermore, taking into consideration the US or Chinese experience would enable us to learn about the European model and what values are shared.
- Questions were raised concerning the role of European institutions in this process. There is a trade-off between economic and social perspectives, and efforts should be made to protect the European social structure from globalization.
- Another barrier for Pan-European restructuring is the uncertainty of the legal status of EWCs (European Works Councils). Are EWCs only used for information-sharing or is it a potential body for consultation and negotiation? It was also recognized that there are several barriers to overcome due to the cross-national (*multi-national*) composition of EWCs, e.g. language and translation problems, cultural misunderstandings and national priorities among participants. Several suggestions were made to overcome these obstacles:
- Investment in training and the need for cross-cultural training for EWC representatives to be more efficient in communication and understanding; this can be achieved by promoting mobility and 3-monthly assignments in other countries.
- A suggestion was made to investigate the possibility of reaching an agreement with European Trade Unions to authorise the company not to apply local regulation (laws and collective agreements) – “pan-European agreement on restructuring practices/legal regulations”.
- Some subjects will always have to be treated locally – the most natural European approach seems to be – stakeholders seldom see that restructuring is approaching; so the European approach/tools could promote the importance of anticipation stage.

Lessons learned

First of all we can conclude that the exchanges among workshop participants have been a very fruitful: the workshops provide us with a meeting place for people who are working on similar projects and allow participants to learn from each other. We have seen several examples of exchanges that have led to tangible results, such as:

- Swedish participants sharing their experience with Polish HR-managers involved in helping people switch jobs in order to help the company deal with the result of their restructuring programs
- Macedonian participants establishing improved relations with the unions because of lessons learned from experiences shared in the Amsterdam workshop.

The workshop also created a good arena for distributing, discussing and validating the results of previous projects (Agire and MIRE). Another important tangible outcome of the process is the collection participants' CVs, which may be serve as a database for coming projects.

Suggestions for continued exchanges

- Profiled thematic meetings should be continued – participant groups may be enlarged to include representatives of the same company from different countries (possibly different sectors and different nationalities) in order to continue the comparison and to learn about different the conditions for the same company. Additional thematic working groups can be introduced.
- It would be good to organize a multi-stakeholder workshop to bring together different perspectives on the same issues, possibly later on in the process, so as to allow for more in-depth exchanges in the same interest groups.
- In order to better disseminate information, an inventory of documents related to the restructuring process could be put on a website – for example, the Syndex website could be used for this purpose. At the moment, only 5 countries represented.
- As a result, future discussions may focus on “change scenarios” or “restructuring scenarios” – to predict changes in different sectors/businesses or in the field in general.
- “Consulting services” provided by members of the group – the ability to seek advice by calling each other or sending an email about country specific solutions.

Chapter 2

Trade Unions and European Works Councils

Main outcomes

by

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Workshops' coordinators

1. The scenario

Restructuring is now a central issue for the European Union and has been a key element of the European project. Trade unions are well aware of the permanent challenge of restructuring. Greater strategic and operational supranational convergence is expressly solicited by all trade unions, who rightly believe that national responses are inadequate to face up to the new challenges of global capitalism.

The EU, considered as a whole and in terms of its individual member states, is deeply rooted in the principle and practice of the social dialogue and “participatory democracy”. The representative associations of economic and social interest are recognised at all levels as being stable, qualified and valued partners within the democratic process of public decision-making.

The 1994 European Works Councils (EWC) directive provided employees with the right to negotiate the setting up of transnational bodies as a mechanism for consultation with management at a European level. This consultation covers a wide range of issues but includes, in particular, the impact of restructuring.

Other new and important steps have been made at EU legislation level, among which Art. 27 of the Charter of Nice; 2001/86 Directive relating to employee involvement in the terms of the new *European Company Statute*; the 2001/14 Directive relating to *improving information and consultation rights in the European Union*. One of the most recent and original approaches to this matter is the one relating to the importance of a common European awareness about *Corporate Social Responsibility* (CSR).

A communication on restructuring and employment from the Commission in 2005 (European Commission 2005) stressed the role of social dialogue as the best way to anticipate change and cope with restructuring. It urged European social partners to be more pro-active in tackling restructuring and to focus on adopting, applying and developing their best practice guidelines on restructuring and to look further into how European Works Councils can improve their effectiveness and take a lead role in managing restructuring changes.

Although measures to soften the impact of restructuring on workers are welcome by the trade unions, for them the key challenge is being able to anticipate change and responding effectively when faced with takeovers, mergers, outsourcing, large-scale job cuts and workplace closures⁷.

⁷ This plan involves the strengthening of the ETUC and related federations in the industry. The ETUC and the European industry federations have been involved in a number of initiatives in recent years to improve the way they respond to restructuring and secure effective agreements with European employers. The TRACE project (Trade Unions Anticipating Change in Europe) was a major European initiative involving a wide range of European and national trade union organisations. A similar initiative was realised by a network of research institutes, co-ordinated by the Italian IRES, on a mandate by the European Chemical Trade Unions Federation (EMCEF).

2. Problems

During the two workshops, most of these items were discussed in depth thanks to presentations given by participants on either the general situation in their country, in terms of restructuring, or on more specific issues: regional government/development and trade unions, EWCs and consultation and negotiation, company restructuring policy (Ericsson, Nokia, Electrolux, Palmolive).

The role of EWCs:

- As EWCs are not trade union bodies, there is still some suspicion within the labour movement that EWCs and national systems of information and consultation could be used to undermine trade unions.
- Can/should EWCs go beyond their role in consultation and seek to negotiate agreements on restructuring?
- Do EWC members do enough to report back at national and local levels and are they getting the right amount and type of training?
- Do trade unions do enough to ensure that EWC **representatives** are not taken in by the nature of the EWC meeting process, so that they do proper job as an EWC rep and don't fall into the trap of trade union tourism?
- The big challenge for trade unions is to improve their co-ordination within EWCs and to develop common strategies rather than to operate solely as national representatives within the EWC.
- Very few EWCs are very effective in general, let alone when dealing with restructuring.
- EWCs need expert help in various forms, including more support from European industry federations.

Participants and speakers highlighted some themes and factors of quite common discontent, such as:

- The weakness of the EWCs and their persistently low level of coverage among the TNCs that meet the required thresholds (no more than 1/3).
- Definitions of restructuring, information and consultation.
- Timing of information and consultation; normally trade unions and EWCs don't get the right kind of information in time to make an adequate response to the employer's restructuring proposals.
- The workers and their **representatives** complain of a lack of transparency and fairness in the way that employers deal with restructuring, particularly when it comes to retraining, redeployment or redundancies
- Very often employers exploit the issue of confidentiality, claiming that certain information is confidential in order to restrict the level of details provided to trade unions and EWCs. Therefore, rules on confidentiality need to be clear and consistent across Europe.
- Important issues are excluded by the information and consultations rights and, furthermore, management avoid tackling some issues when they don't consider it of transnational interest.
- In many cases, companies and management try to interfere with an autonomous and genuine workers' selection of the EWCs local/national delegates, especially in some new member states, where trade unions organisations are quite weak.

2.2. An emerging issue: EWCs and negotiating restructuring

At Sanofi-Aventis the EWC had attempted to set up a proper negotiating body with a view to negotiating an agreement on training and restructuring that would provide a European framework but ensure that national agreements prevailed if they had better provisions. There was a consultation with all the national trade unions represented within the company but this had not received the endorsement of all the national trade unions or the support of the EMCEF industry federation.

Also envisaged is the power to sign collective agreements at a European level between organisations representing social partners. But this continues to be a very difficult objective. European trade unions that are part of ETUC have changed the statute of the Confederation, giving it full power to negotiate at European level even for specific sectors. The same has not happened with Businesseurope, the European private employers' association, nor is it likely that it will. Trade unions still need to do a lot in the following years at the various industry federations at European level.

In spite of all this, the EWC experience still remains valid and alive, despite all its well-known limits and criticisms. It has to be considered in a dynamic rather than static way; as a work in progress to be interlinked with all the other tools – national and transnational – available to the workers and union representatives. EWCs play a very important role in encouraging the networking and informal exchange of knowledge among workers' representatives with very different backgrounds. Networking and the exchange of experience, including the IRENE project and its potential follow up, can be considered part of it in future.

Restructuring affects those who remain in the company as well as those who lose their jobs and there needs to be some kind of strategy to follow up the process to monitor what happens. The problem is that – as more than one participant said – because of globalisation: “there will always be somewhere with lower labour costs”. That's the main difficulty of devising a strategic response.

3. Proposals

There was a discussion – in both London and Rome – about the need for trade unions to develop different strategies in response to different and changing circumstances – whether a company is proposing a plant closure, relocation, job cuts, outsourcing or other form of restructuring.

Making workers and unions rights more effective

The lack of effectiveness of the typical workers' and union rights – in the event of restructuring – is not only peculiar at transnational level, but it is also well known at national level, where specific laws and collective agreements have often been avoided and/or ignored by companies, who are now able to move their investments elsewhere, no matter how profitable the individual plant has been. The recent case of Nokia is, in such a regard, very symptomatic. Other tools have to be found and put into practice to sanction TNCs who try to avoid their responsibilities. These can include international strikes, information campaigns and European and national court cases. In this respect, some interesting new legal cases have been discussed in Rome, concerning the recognition and respect of employees' information and consultation rights before the European Court of Justice (the Kluge&Nagel case) or at national level (the Gaz de France and Alcatel Lucent case, in France, or the British Europe / Austria case).

As long as other traditional industrial relations tools remain more difficult to apply effectively at transnational level, the court jurisdiction becomes an important resource which the trade unions – at all levels - have to take very seriously.

Rethinking structures and strategies

Some of the participants have been invited to reflect on the limits and criticisms of the strategies and policies of trade unions up to now. In fact it's undeniable that, in the case of de-localisations and plant closures in some countries, international messages of solidarity are simply not enough and also risk sounding hypocritical. It was suggested that trade unions at national and European level needed to look into their structures to see if changes might help them respond more effectively to restructuring. As it was said in Rome: "It's necessary that international unionism assumes a strong, long term theory and *praxis autonomus*".

Towards supranational bargaining?

Restructuring processes cannot be approached from the workers' and unions' side, only with "participation rights". European trade union organisations have to be strengthened and empowered with real prerogatives and effective rights. This implies the possibility of making the information and consultation rights evolve towards proper supranational collective bargaining at branch and/or TNC level. The European Metalworkers' Federation (EMF) has taken specific initiatives in a small number of TNCs where it has set up a mandating process enabling it to negotiate with the company at European level and to sign a collective agreement on behalf of its member organisations in the TNCs concerned. As repeatedly requested by the ETUC, the EWC directive needs reforming and amending; the concept of information and consultation needs to be clarified and the formal role of trade unions recognised. EWCs need to be "unionised", since the vague notion of "workers representation" is used by some TNCs in some countries (especially in some new member states), to interfere heavily in the autonomous and genuine choice of the workers.

Investing more resources on new global issues

Trade unions have to invest more resources in order to increase and improve the skills of their members and delegates on new global issues relating to the **restructuring process**. Trade unions have to be better able to talk to management at the right level where key decisions are being made. Unions emphasize the need to look to training and investment to help retain jobs, and lifelong learning to improve employability – but there is a more challenging problem in low-paying, low-skill sectors where there is a need for a jobs strategy and not just a question of employability. Lifelong learning strategies have to be implemented everywhere, in order to improve workers' employability in advance of any potential restructuring. The problem has been that government intervention is often very limited and only in critical situations. The use of the unions' lobbying activity with the national governments has to be part of the trade union response.

A better use of corporate social responsibility

It was suggested that trade unions could exploit companies' claims about their corporate social responsibility when it comes to restructuring. A good practice can be represented by the idea of "Socially Responsible Restructuring", as interpreted in the 10 guidelines (and a handbook) of the European Metalworkers' Federation (EMF) on restructuring and industrial relations. The EMF has been at the forefront of initiatives on restructuring.

Social plans

Negotiated social plans are required at the different levels: international, group, plant. Some good practices have been identified concerning the comparability of restructuring and redundancy plans. A detailed plan involving retraining, redeployment etc. was developed at Ericsson, with full consultation with the trade unions. However, it was not discussed as a possible model for other trade unions in the Ericsson group outside Sweden. It was also argued that more information on redundancy plans would be useful to see if employers were simply trying to target job cuts wherever it would be the cheapest option.

A relatively crucial role is still being played by national legislation on information and consultation and on how to implement the restructuring process. For instance, it could be implemented with very intense and effective rights of co-determination, as in Sweden or in some countries where “social plans” are legally prescribed to companies where restructuring would result in job cuts.

Other initiatives: regions, wages, health

Regional initiatives are a good resource. The UK experience showed the potential for trade unions to work with regional development agencies in developing (cross-) sector strategies in response to restructuring (aerospace/maritime), with a social dialogue forum bringing trade unions and employers together across the region. The Italian participants also highlighted the importance of territories in order to integrate industrial relations, local welfare and active labour policies.

Another issue highlighted here was the need to increase wage levels in new member states, so as to create a more level playing field across Europe.

Finally, trade unions, EWCs, employers and public authorities have to take account of the health effects of restructuring.

Chapter 3

Employment Services workshops

Main outcomes

by

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1. Main issues debated

1.1. The challenges of Employment Services in a context of permanent adjustment

In a context of the accelerated transformation of productive systems and, therefore, of the skills necessary, the role played by public and private employment services becomes increasingly crucial. However, these services are also under pressure from the speed of change and the phenomenon of business restructuring. The main topics debated are how these services are able to face up to these structural changes, their limits and benefits, what approach and instruments to adopt and how the restructuring process is managed.

As a starting point, the nature, mission and work methods of private and public employment services are different. Both models have tried to develop their own solutions to the challenges arising from restructuring. There is also cooperation between them, which gives rise to a field that is not yet performing fully and is seemingly constrained to carrying out specific and skilled tasks (e.g. external outplacement or the transfer companies in Germany).

The state of uncertainty caused by the current nature of structural adjustment (global shocks due to a contradictory rise in demand, big generation change, shortage of labour, new needs for external and internal recruitment, skills upgrading, delocalisation of firms, etc...) requires new PES strategies, which have so far been excessively based on attending the most vulnerable collectives (long-term unemployment, etc.).

In the case of the PES, some authors emphasise the need to respond to these changes through a new public management process, characterised by the rise of market-based approaches to allocating public resources and the emergence of contracts as a key regulatory governance system. The need to shift from a more traditional hierarchical governance structure towards a contract-based governance structure (Sol and Westerveld 2005) has also been emphasised.

The use of competitive tendering and for-profit providers for implementing social services has been transformed in some countries into the usual form of service provision. In the light of more bureaucratic models of employment service provision, other models have been promoted (management by objectives, quasi-market models, and preferred supplier models⁸).

Other authors prefer to focus on the need to emphasise the partnership approach in order to enhance democracy and efficiency. A partnership approach allows different actors to participate in a deliberative

⁸ Sol, E. and Westerveld, M. (eds) (2005) *Contractualism in Employment services. A new form of welfare state governance*. The Hague: Kluwer Law.

way. Given the wide diversity of players and the complexity of the problem, co-operation between the different players is essential for public policy to be effective. Recognition of the importance of partnerships has been accompanied by recognition of the key role of both local and regional players and the social partners in the EU's employment strategy. Several European countries have decentralised their employment services with a view to making the local level more independent. This has enabled social partners and local authorities to come together in order to adapt the provision of services to the specific needs of the target group.

1. 2. Methods and instruments

According to their different flexibility needs, companies and public administrations use different forms of restructuring. If restructuring involves dismissals, **outplacement** and **employment transfer** (e.g. in the case of BenQ in Germany) are the most important methods of employment services to cope with them. On the other hand restructuring often occurs without dismissals; in these cases organized **replacement processes on internal labour markets** (i.e. TeliaSonera Omställning in Sweden) serve as functional equivalents to transitional agencies. Labour market instruments and placement approaches of the two - transitional agencies and redeployment units - are quite similar.

Redeployment departments were included in the discussion because little is it known that they are one of the most important structures able to cope with job destruction: For example in Germany more than 25% of employment in big companies and public administrations is covered by redeployment systems and related collective agreements.

In comparison to outplacement, redeployment entails more employment security for workers. Redeployment is an intra-organizational business and involves many internal actors, which makes it much more complicated in organizational terms. Regarding the selection process of workers, in particular, intra-company actors concerned have opposing interests. The basic dilemma of redeployment on internal labour-markets is the negative selection of workers in job-destruction processes and the positive selection related to vacancies. Thus, when restructuring and redundancies occur, even internal forms of flexibility result in mobility-related risks.

2. Conditioning factors, innovations detected and obstacles

2.1. The nature of PES. A conditioning factor in the activity of PES in view of restructuring is that they have been at the centre of discussions for at least the last fifteen years. This is a factor that operates as a restriction in their response to restructuring management. They are subjected to a wide range of pressures of different types. Their roles and aims are questioned in a market where competition has been installed through other operators that offer or provide services, either partially or completely: **internal labour markets**, Temporary Agency Work, private outplacement services, etc.

Their profitability and efficiency is analysed in terms of their ability to mediate in the labour market between offer and supply. Frequently, the fact that the labour market is a clear example of a non-transparent market is ignored: the best PES in the world, under normal conditions, should not exceed humble mediation numbers.

In a context of structural, productive and change in the organisation of the work of industrial mutations, which are still insufficiently defined with regard to their direction, that is, in the framework of permanent restructuring, the PES are required to provide efficiency, the ability to reorganise their classic or traditional services and results.

2.2. Universal assistance of PES. In general, the public nature of PES obliges them to assist the population in general. Their users are not only clients but citizens with rights. They deliver services free of charge to jobseekers (both unemployed and job-changers) as well as to employers, who are trying to bring jobseekers and vacancies together. They also contribute to improve transparency in the labour

market. PES also fulfil a development role for public policies, starting with basic rights (non-discrimination, equal opportunities, etc.), or the European and Lisbon Employment Strategy, contributing to reach targets and benchmarks. Amongst the reference parameters for their activity, they must include essential aspects such as demographic change, long-term unemployment, the gender dimension or the effects of immigration, as well as territorial imbalances.

The question is: who uses the PES? In many countries it is mainly the small, medium and micro-enterprises. Large undertakings do not use them regularly (as they have their own departments and resources to manage staff needs); neither do workers subject to collective redundancy processes. That is the two most analysed subjects from the point of view of restructuring

2.3. Another conditioning factor to be taken into account is that in most of the European countries and compared to other fields of labour market politics, **outplacement and redeployment services** have reached a **mature level**. Thus a debate on quality and innovations should focus on the institutional quality, meaning the quality of the particular national framework, which is an important field for innovations and quality promotion, meaning the legal framework, organizational forms and the “constitution” of employment services.

Lastly, **institutional stability** is another key factor regarding the quality and effectiveness of employment services related to restructuring.

- The case of BenQ mobile production is a striking demonstration of the importance of the correlation between institutions and effectiveness. In that case, a large portion of workers wasn't been transferred to new jobs due to the incentive structure regarding severance pay. BenQ's social plan stipulated that severance pay should only be paid to workers who were still part of the transfer company on the last day – which made a lot of workers turn down job offers during the transfer period.
- In contrast, the quality debate on outplacement focuses primarily on labour market measures and the role of outplacement service providers, even though the (German) problem is the case-to-case negotiation of the social plan (similar in France): in the German and French cases, the resources and model for placement processes are defined within the company by actors, who haven't gained any experience in active labour market politics. Secondly they pursue their own interests, which could sometimes prove contradictory to a successful placement approach.
- In countries and regions with a high degree of institutional stability (i.e. Sweden, Wallonia), quality and acceptance of outplacement is much better, there is no rivalry between severance pay and outplacement services, and decisive information about the measures, resources and expected results of outplacement services can be answered at an early stage – when the information is urgently needed by the victims of the restructuring.

3. Emerging issues

3.1. The complex relationship between PES and restructuring

Depending on a country's tradition of industrial relations, its legal and institutional framework, this relationship may become increasingly active or practically non-existent. However, the difficulty for PES to act in anticipation to restructuring appears to have been confirmed. Their nature and organisation makes them reactive, becoming palliative instruments – offering professional guidance and training services in search of new employment – rather than proactive.

- Some schemes exist where PES take part in the case of collective redundancies, generally by means of the Social Plan.

- In other cases, the PES intervene actively, taking the initiative – the Wallonia Region, creating redeployment working units – in cooperation with the social partners. Anticipation appears here as the offering workers the possibility to acquire new competences that will allow them to anticipate the crisis.
- In other cases the relationship has been more reactive and PES intervene later, generally financing social protection (unemployment benefit) and requalification costs (Romania).

It seems clear that restructuring still constitutes a **threat** rather than a **strategy** for the PES; a crisis to resolve, rather than a situation to foresee. Only in a few countries are the PES experimenting prevention measures in specific sectors or economic activities. It seems that a preventive public policy⁹ is lacking, which could bring PES closer to the prevention management of restructuring.

3.2. The restructuring processes of PES

What is out of the question is the governments' efforts for a permanent reform of the PES. These reforms have been of different kinds and orientation. Amongst them, the most relevant reforms undertaken at the end of the nineties are the four following models: the Swedish "Dual strategy", the Danish "Regional strategy", the UK "Work First - Customer Focus strategy" and the Dutch "Gateway strategy"¹⁰.

The reform carried out in Finland absorbed elements from some of these models, especially an omni-comprehensive approach of services to the long-term unemployed; and a strong cooperation with other public (municipalities) and private (third sector, business community) actors. Once this stage of reforms was concluded, a new measure called *Change Security* started aimed at an early start to active measures in dealing with discharge and company closure situations and to improve cooperation between the different stakeholders in the situation¹¹ was started.

3.3. Similarities between the approaches and measures implemented by employment services in restructuring processes

The comparison of applied labour market politics between countries achieves a clear result: Labour market instruments, placement approaches and measures related to redeployment, outplacement and employment transfer are quite similar.

- a) Re- or outplacement in Europe generally means a concept on an individual basis, aiming at the development of a tailor-made placement process for each participant. It typically begins with individual talks and profiling measures, which result in a binding agreement on objectives and an action plan, or similar document. This concludes not only the results of the first counselling interviews but also the definition of professional targets and related tasks, steps, and means.
- b) A second trend is related to the placement measures, it is a growing importance of temporary work, internships or work on trial for the placement processes. It means on the other side, that

⁹ The case of Spain, with its crisis in the construction sector, is significant. The downfall of the real estate sector has uncovered the surplus labour force in an oversized sector. No forecast had been made on the indispensable professional redeployment of tens of thousands of workers who, even when the crisis is over, will be unable to return to their jobs. A massive occupational redeployment campaign is currently underway.

¹⁰ Robert Arnkil. Work Research Centre, Tampere University, Finland. "Finnish Public Employment Service Reform addressing the Structural Employment Challenges in Finland".

¹¹ Some of the main characteristics of this new measure, Change Security, are the following: i) the right of employees to individual re-employment and/or re-education programmes (drawn up together with PES officials); ii) Free time (5 – 20 days depending on length of being employed) for job-search and counseling while still on the job; iii) higher levels of unemployment benefits in the transition period (70% level instead of 56% of gross wages); iv) an obligation to employers to inform the employees and officials in time, and to make plans for re-employment together with the employees and PES-officials. PES officials often set a service point inside the company to provide change security services.

qualifications, particular long term ones, become less important; qualifications become shorter and they target at a concrete job.

- c) Most of the re- and outplacement services are – more or less explicit – based on a coaching approach. The framework of the counselling, methods and the role of the consultant are geared towards coaching. The “transfer philosophy” of most service providers also ignores the imposition of extensive sanctions against participants, if rules are breached. It’s a typical assessment that the damage for the fragile image of the transfer would be bigger than the assumed positive impact on the participants’ behaviour.
- d) Motivation of the participants is key for the effectiveness of both internal and external placements. Thus the basis of the consultant’s work is “helping others to help themselves”. An outplacement consultant from Sweden concludes these practices with a typical question addressed to a participant: “There’s a secretary, for example. I have to state that you can’t be a secretary anymore. What can you do with your skills? What else can you do? Our job responds to these questions. We have to convince them” (Kirsch / Mühge 2008: 113). The basis of employment services is an individual and trustful relationship between the consultant and participant.

These manners of working and these tools are similar in their implementation due to the approximation processes of labour legislation across the EU and to the influence of organisational and management methods of human resources in multinational companies. However, their development and implementation in practice are very **unequal** at Member State level, especially in new EU countries.

3.4. The flexicurity approach.

The organisation of the **common principles of flexicurity** at national level are still at a preliminary stage. In some PES (The Netherlands, Denmark), national implementation or adaptation is more advanced, resulting in some successful experiences. However, the development of flexicurity is highly conditioned by factors such as national labour market characteristics or the productive structure and size of undertakings.

An individualised and targeted intervention is essential in a policy strategy based on flexicurity (European Commission communication 2007). This type of intervention demands important social policy reforms as well as new forms of governance within public services¹² (van Berkel 2007).

The flexicurity philosophy could be in tune with the need to act in case of business restructuring. The Dutch approach (Nedcar MCA case¹³), based on a job-to-job objective, shows the possibility of combining public activity with a business perspective. Some of the flexicurity principles were jointly implemented by intensive networks of public and private partners working together and established in the history of the region (learning from restructuring in the past). The “**strong start**” involved one of them combining employment security with external numerical flexibility or internal functional security as much as possible.

The keys to success were based on: i) shared diagnostics between the different stakeholders; ii) a commitment towards work reorganisation on behalf of the undertaking and a financial compromise; and iii) the need for tailor-made individual solutions.

¹² Van Berkel, R. (2007) “Social assistance dynamics in the Netherlands: exploring the sustainability of independence from social assistance via labour market inclusion” *Journal of Social Policy and Society*, vol. 6 n. 2

¹³ *NedCar: Mobiliteits Centrum Automotive*. Presented by Frank Tros. University of Amsterdam

4. Next steps: topics requiring further analysis

4.1. The challenge of anticipation

In an ideal case, employment services would be able to cope with restructuring in an early stage. If they get to know about dismissals long before they are carried out, they have a better chance of avoiding unemployment by outplacement, acquiring new jobs, qualification etc. So anticipation at an early stage is counted as advantageous for both local labour market politics and regional strategies of business development.

According to this, the discussion has shown that anticipation can occur only if a whole economic sector or a formerly state-run company (like the textile industry in Andalusia or the Deutsche Bahn) is subject to restructuring. The likelihood of employment services being able to anticipate and intervene at an early stage is better than in the case of international companies. When switching to strategies of “locational flexibility” (Koistinen), there appears to be an increasing tendency for large international companies to announce or even decide restructuring-measures with mass-dismissals at short-notice - as in the case of the relocation of the mobile-phone production by Nokia from Bochum to Romania. A necessary condition for anticipation is social dialogue at both group and industry levels. However, in the context of “locational flexibility”, the established forms of social dialogue might fail to anticipate restructurings.

Also discussed was the question regarding how far at European level a complement to the established forms of social dialogue can be created. The European regulations on codetermination, which are part of the “European social model”, should oblige employers of European companies to provide information on restructuring measures at the earliest stage in order to allow the implementation of successful measures in the range of regional and labour market politics.

But even if this succeeds there will always be the case that market constraints demand that companies quickly react and implement restructurings at short notice. So it is important for employment services to be prepared for this case and to dispose of an adequate set of institutions and instruments to avoid unemployment. On the basis of such a mature set of institutions and instruments, in the ideal case the effects of restructuring, even if it occurred at short notice, would be softened for employees concerned.

On the other hand, the issue of equality in relation to employment services is still pending. Placement management within internal labour markets, though subject to collective agreements, requires control to avoid the implementation of “skimming” practices (selection of the best, the “top layer”, the *cream*) from worker categories.

4.2. The requirement of an efficient response from PES regarding restructuring processes

Regarding restructuring, PES strategies have certainly reduced the margin for movement due to their *generalist* position in the labour market, in addition to their restrictions on the budget and (specialised) labour force. Some key factors for PES’s strategic reorientation to be able to face up to business or sectoral restructuring could be the following:

- a) The need for change and improvement in their efficiency is PES’s main characteristic. Change in itself is not easy given the external (uncertainty of the worldwide situation, the new paradigm of flexicurity, etc.) and internal (resistance to change of the organisation itself) difficulties. A review of its internal organisation, favouring a **more sectoral approach** (or regarding economic activity) in those PES that are not established in this way. Qualifications and markets are increasingly specialised and require more attention to detail.
- b) An **integral activation strategy**, understood as a set of factors that come together with the same objective, with an approach aimed at results and not only following an administrative logic. The role that flexicurity attributes to job-to-job transitions places PES in a position of great responsibility to

guarantee the implementation of Community policies. New or re-orientated services aimed at undertakings undergoing restructuring processes may be started.

- c) Implementation of **multidisciplinary services**: placing the focus mainly on professional transitions, and other available resources. That is, exploring how different services (educational, social, health, etc.) may be both complement and encourage a good start and better quality (segmentation, profiling).
- d) Monitoring and learning from failure. Many cases of restructuring fail even when an agreement has been reached: psychological, sociological and productive failure; delocalisation that turns the territory into an industrial barren land, etc.
- e) Social dialogue favours the intervention of PES both at the level of the undertaking and at sectoral level (textile rationalisation in Spain and other member states). However, agreement does not always guarantee prevention activity if the measures are applied afterwards.
- f) Cooperation with other stakeholders must be the main strategy and not only the exception in a specific restructuring process. **Networking** must constitute a stable system of cooperation with undertakings, institutes, organisations, etc. This collaboration outline includes other administrations and governments at local or regional level, beyond the territorial power distribution in the country. Without a cooperation network, horizontal or vertical, and without sectoral and territorial specialisation, the intervention effort will be rendered less efficient.

4.3. The role of Public policies

4.3.1. PES in the EU differ to a great extent as a consequence of the labour markets in which they operate, the way they are organised and even the territorial (federal) authority structure of the State, amongst others. There isn't one European labour market, as such, but rather several (more than 27) local markets. Market failure could be talked of in terms of classic economy. Transparency is absent to a large extent and the EU has not achieved real mobility between European workers (freedom of movement and labour). Restructuring processes increasingly affect more different Member States at the same time and the workers concerned have to deal with their situation within the context of their local or national markets and rules. In this context, are European policies to promote coordination between PES necessary?

4.3.2. In order for PES to be able to fulfil their role more efficiently with regard to restructuring processes, at sectoral or undertaking level, it is indispensable that PES are located at the heart of **economic and industrial policies** as a core governance element. If PES must intervene in anticipation in the occupational change of a sector, they must collaborate closely in the industrial policy in that area and, for instance, with existing monitoring and prospective instruments (industrial monitoring centres and other tools) that include the surveillance of the behaviour of world markets in that sector.

4.3.3. Community activity and the **Lisbon Strategy** with regard to employment must take into further consideration the role of PES with regard to restructuring, by means of specific measures that favour their empowering and their ability to intervene in restructuring cases under certain requirements. What role could PES play in managing the sectoral restructuring processes caused by the current financial and economic crisis in the framework, for instance, of the Commission's new line of work regarding new skills for new jobs?

4.4.4. A deep reflection must be made on the future of PES with regard to the development of the effects of globalisation. The value of PES must be acknowledged – in cooperation with other actors, subcontracting services, collaborating with other administrations – not only as instruments but also as **structures accompanying the structural changes that are taking place**, one of which is undoubtedly restructuring. The discussion on the model, in current times, is more important than on the organisation

of PES or their programmes. Moving from a services supply model, mainly aimed at vulnerable workers (long-term unemployed, low qualifications, etc.) to other services, constitutes a challenge that must be debated at social level. Nevertheless, opting for a model aimed at providing services to undertakings as employers (and creators of employment) entails a significant change.

Chapter 4

Regional and Community Workshops

Main outcomes

by

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Workshop coordinators

1. Debated subjects

Summarily, the main subjects debated were:

1.1. Is the territory, considered as the "employment area", a relevant framework to think of economic mutations, and to act on them?

There are many reasons to answer positively:

- a. The "employment area" is the geographical perimeter inside which employees first look for a job. The local labour market means something different but "real" to everyone.
- b. The company seeks to solve its economic problems through restructuring. However, the consequences of restructuring are multidimensional. Considered within a complex chain, the company cannot solve the attendant multiple consequences of its decisions (employment, environment, image, subcontractors). The sectors, branch, territory and region, allow it to set up solutions and alternative strategies which are impossible to envisage at company level.
- c. The restructuring of a territory is an adjustment process in itself similar to sectors or undertakings. But the dimension of the territory and its relevance as the framework for action (and public and private intervention), is **much more complex**. Its economic and productive *skin*, its natural resources, environment and its human and cultural resources transform as a whole; far beyond the mere changes in certain undertakings. The territory suffers territorial transformations due to investments (or the lack thereof) in productive, social, educational and other infrastructures. The geographical situation of the territory, with regard to the natural development cores and corridors in the EU, deeply brands its possibilities and opportunities. Territories are *thought out* and should be planned not only from a productive perspective but also from long-term social and environmental sustainability criteria.
- d. The territory is a framework within which **many actors** evolve. The territorial approach allows you to mobilize human and financial resources and to supplementary actors; it encourages the learning and capitalization of experiences and experiments.
- e. The territorial approach enables you to register the restructuring of the company or a sector in a longer frame of time, in local history; the territory existed before the company and will survive it. It puts a time perspective to actions. Poles of competitiveness such as clusters, amongst others, register every company over this long period of time. The territory is a favourable framework for long-term strategies.

f. There is no "universally" relevant perimeter. Every level is "porous" and must be articulated with the other perimeters. Two examples:

- i. In the Ruhr¹⁴, trade-union skills are mobilized at national level (confederations)
- ii. In Bressuire¹⁵, small rural area in the southwest of France where economic prospective occurs at regional level.

g. However, territories are also in competition with each other. Competition is different between mature territories that operate their own networks to obtain resources and markets, than between territories and other less developed territories that aspire towards the income of the former. Asymmetry in development levels generate territorial and productive competition/readjustment, the consequences of which must be measured beforehand in terms of the social and environmental costs.

Nevertheless, territories may also cooperate at supranational level. Experiences in cross-border clusters (like in Wallonia¹⁶) are starting to develop. The Euroregions include joint cooperation and investment programmes. The EuroMetropolis, i.e., a supranational cooperation network between cities, also appears.

1.2. What are the key periods to think about the territory from a restructuring perspective?

Two crucial periods seem to exist:

- At the time of **adjustment** (crisis, delocalization, a drastic change in the productive *skin* and in job and employment characteristics)
- At the time of **revitalization**. If the former has not been anticipated, it requires incidental and general palliative management (maintaining level of employment and generation of income). The latter requires planning on behalf of all stakeholders involved, a commitment and a perspective on the future.

2. Some new developments, elements and limitations suggested in analysis

The existence of certain European-level trends in the territorial treatment of restructuring was confirmed during discussions. Similarly, the persistence of several obstacles to the global management of these processes was also mentioned.

The territory (involving several private and public actors acting as "quasi-actors") distinguishes itself from the other actors by its ability to intervene on two fronts:

- Animation of the local labour market (change adjustment)
- Development of activities (pro-active management of the change, revitalization).

It constitutes a **relevant perimeter to connect strategies and actions** on these two fronts. Within a territory, contrary to what occurs within a company or within a branch, it becomes conceivable to operate between social actors, economic actors, political actors or members of the non-profit (philanthropic) sector.

¹⁴ The Ruhr Area; a political agreement to finish subsidies for the German coal mining up to 2018.

¹⁵ Twenty seven years of multi-stakeholder cooperation within the local community.; a body bringing together local authorities, companies and trade unions.

¹⁶ The "Marshall Plan" in Wallonia. New clusters and Competitiveness poles.

The **territorial approach** urges the actors to go beyond the perimeter of each company and to take into account the interests of the local community concerned by restructuring processes. Small companies can be compared with large companies.

If a new framework is proposed, new initiatives and devices can complete the traditional actions in the case of restructuring. In the cases studied, numerous actions were thought and implemented locally. They include:

- Animation of specific local labour market and adjustment strategies:
 - Creation of inter-company platforms for redeployment and reconversion
 - Employment exchange (transparency of the local labour market)
 - Improvement of the attractiveness of SMEs (measures concerning Human Resources management in the recruiting SME)
 - Transition contracts (redundancy occurs once a solution for reconversion or creation is found)
 - Development of the local offer of vocational training
 - Creation of skills map and anticipation for future needs (territorial anticipatory management of jobs and skills)
 - Actions aiming at maintaining wealth of the employees concerned

- Concerning the creation of new jobs and revitalization:
 - Implementation of new devices to help towards company creation (SME or micro-enterprises)
 - Sharing of grants and skills for existing companies
 - Territorial marketing (attraction of new companies)
 - Pole of competitiveness or growth, animation of the sector.
 - Elaboration of town planning projects to make the local territory more attractive

3. Innovative aspects, emerging issues detected during discussions

Some practical questions remain open. It is possible to include these around the following subjects:

3.1. Time management

Time management is an essential aspect in every transformation and change process. It includes quantitative time management (calendars, periods, terms ...) as well as appreciation of the qualitative aspects (process of maturation or crystallization, sustainable rhythm, necessary duration for the construction of professional projects, duration of initiatives for professional training, ...). During restructuring processes, this question is more sensitive due to the fact that many restructuring processes are lived in the form of a crisis; i.e., a phenomenon that we are unable to master due to "lack of time".

Although it is important to adopt a global or "holistic" approach to restructuring, it is also useful to distinguish processes that differ by their time structure. In other words, it is quicker to lose a job than to create a new one!

1. The economic aspects of restructuring are mainly characterised by the speed and break (stop of an activity, redundancy, change of technologies, closing down of a production site, etc.). It is before the decision that time could be saved by **anticipating the decision**. However, working on anticipation in the territories is complex if not carried out within a long-term planning framework. Territories are

heavyweight, they do not have the lightness of the decisions that an undertaking may take when it delocalises. They are entities with a history (not set in or subject to history), past, social and economic tradition, local memory and geographic and demographic conditions: in short, they have an identity. Nevertheless, they are also present and future projections: the need to end (Ruhr basin: Bochum 2015¹⁷) or start (Cadiz Bay¹⁸) rationalisation processes. Choosing the approach to tackle the revitalisation of a territory is complex: the choice between breaking away from the past (substitution) or reform (restoration, modernisation) is usually false and simplistic.

2. Taking into account social involvement may slow down the process to give time for consultation, “pedagogy”, negotiation as well as for building warranties and alternatives for future employment. Any time that is not used prior to the economic decision must certainly be granted after these decisions to manage these social consequences. **The management of the transition period** is a key skill for all people involved in restructuring processes.
3. A specific accompaniment of employees involved in redundancies in large or small firms leads to individualising the careers. The time necessary for a person to update their skills and increase their autonomy varies greatly from one to another. What is important is qualitative evolution. Focusing on the quantitative measure of time with its terms (compensations, allowances) can divert from the objective of **constructing their "employability" or from constructing their project**.
4. Economic development, urban renovating strategies, modifications in the image of a territory, strategies to position the territory in a new sector, the set up of “poles of competitiveness” associating research and training need to be considered in an even longer period of time, without any links to restructuring itself.

The global governance of changes in a territory leads to piloting together processes involving different actors and in different rhythms. It is literally a “political piloting” dealing with the richness of diversity and long-term perspectives.

This process particularly puts into question the identical characteristics of the territory. It is necessary to make the past (which should be felt) a resource and not a weight (the noxious charm of the nostalgia...). The past must be valued, not as a motionless datum; an exclusive vocation or a definitive fate, but as the source of legitimate self-respect and self esteem on which to base the new strategies. These narratives, which try to make the local community share the prospect of a desirable future, are within the competence of politics and political construction and not a simple action of communication (see below).

3.2. Management of resources and opportunities (projects, structures, organisations, actors ...)

This global consideration of the additional aspects requires adequate management. The territorial management of restructuring is characterized by a rather large variety. It is not only due to the variety of the implied actors. It refers to different conceptions in terms of organization or the legitimacy of the multiple actors.

¹⁷ Bochum 2015. “To secure Bochum future –proactively”. Mc Kinsey’s strategic paper.

¹⁸ Bahia Competitiva”. Revitalisation project of the Cadiz bay, affected by the close down of the company called Delphi, one of the cases addressed by the European Globalization Fund

Basically, we can distinguish the following alternative polarities in the projects presented:

- a) **The actors involved.** In every case studied, new actors take their place alongside the traditional actors: companies, labour unions, public employment services. The territories' consideration entails, by definition, giving a role to these new actors. We can distinguish institutional actors: local authorities, development agencies, healthcare networks and "opinion makers" in the domains of culture, sports and the media.
- b) **Organisation and bodies.** An alternative is often formulated to give prominence to the project or to privilege the implementation of a dedicated, new structure. If it seems difficult that the global management of the transformation process is carried out by an existing structure (which will never have the skill and legitimacy at the same time to do it), the creation of *ad hoc* structures also reflects this hesitation. From the cases analysed, it seems that it is still relevant at the start of a restructuring/revitalisation process in the territory to question the best way to organise the structure that will lead these processes: Is the territory to be equipped with a permanent structure, which capitalizes, learns, professionalizes itself and its employees in this new "restructuring pilot" profession, or is it necessary to give a determined duration to this organization so as to avoid the piling up of structures which leads to expensive ineffectiveness, ("crowded platform") and the bureaucratization of these bodies?

In every case studied, an organization (in a very formal meaning) was created to bring the actors together and to manage the mutations. The choice mainly concerns the construction of ephemeral or long-lasting structures. In most cases, these organizations "survived" restructuring, but Goteborg gives the opposite example. We can only wonder whether the structures last voluntarily or if this is due to the difficulty to eliminate an organization once it is implemented (especially since it gave satisfaction!). The management of particular actions can be made within the framework of existing organizations and institutions (cf. ALIZE).

The contribution of external resources and private consultancy companies is not identical in both cases (strategic advice versus operational accompaniment).

3.3. Modalities of coordination / cooperation

Three trends or models have appeared in our discussions:

- a) **Bottom-up.** Civil society becomes organized. Strong involvement of the actors' premises, collective learning but risk of localism.

Context: successive tests, crises and former restructuring processes, effect of learning, feeling of belonging in the territory

Practices: social dialogue focused mainly on "specific solutions", continuity in this practice, culture of compromise, the local construction of a very justifiable institution and being equipped with necessary successive skills.

Actors: trade unions, employer's organisations, locally elected representatives. Since the actors build the institutions, it is the territory that does so.

Strengths and weaknesses: learning and capitalization, trust between actors, work in common (and thus optimization of organizations), permanent construction of new tools. A higher interest of the territory

seems to appear and to impose itself upon the individual actors. However, it does not prevent difficulty appearing in a distant future (weight of past and of the present) and maybe a certain distrust towards the exterior.

- b) **Top-down.** Big State voluntarism. Important means, ambitious strategies but risks of heaviness in the organization, sticking and failure.

Context: large-scale crisis, sector-based crisis, which exceeds the perimeter of a company and an employment area (the Ruhr or Wallonia), scarce habits of teamwork (regions rely on their "glorious past").

Practices: strong voluntarism. "Top down" conception of a large new project for the territory, gathering of the diverse actors in a context of crisis, and according to an imperative of rationalization of the means and under the aegis of this project, conceived as a "rational construction" stemming from "economic laws" and from necessary adaptation.

Actors: the State is the central actor, at local (GIP Seine-et-Marne) or national (Wallonia, the Ruhr) level. It conceives, organizes and finances.

Strengths and weaknesses: important means, projections and possible long-term strategies, but actors maintained in a "minor" role and dysfunctions are bound due to this absence of "majority", lack of trust, procedures and the "gas plants syndrome".

- c) **"Story telling".** The experts and media make a scenario for the future believable. Ability to invest in new sectors but fragility of a construction that does not lean on institutional, professional or constant actors. Risk of a purely fanciful scenario.

Context: large-scale crisis, which concern a rather recent company, the history of the territory is less concerned, authorities intervened in the past, but this time the responsibility of the company seems the only cause (Nokia, ...).

Practices: experts propose strategies, if possible, well known and trustworthy experts (authority due to this good brand name. Cf. McKinsey); a scenario of conversion of the territory is conceived and direct communication with the population, via the press, is professionally organized. The results depend on the quality and coherence of the story (i.e. the skill of "storytelling").

Actors. A light structure, without the will of perpetuity, is organized. Economic and commercial skills are at the centre. Employment will be a consequence of economic development policies. Local actors are asked to finance this work and held away from the decisions. A steering committee makes a link with them.

Strengths and weaknesses: speed, attraction for innovation and new sectors, good communication, but fragility of the scenarios (hypothesis based on company promises, etc.) and fragility of the direct conquest of public opinion. The actors themselves (trade unions, local authorities, etc.) can turn against the "experts", who will then serve as easy fuses.

g) Internal and external communication: transferring to and involving the local community

This last trend has led us to wonder about the **role of the communication and the press and, more generally, about the weight of public opinion**, in the construction of the common representations of

restructuring processes. Social dialogue, which is an organization bringing together the various actors, - social, economic and political, allows the breaking away from polarization between the public opinions widely dominated by those affected (fragility, liquidity, deficit of rationality) on one side and governance dominated by the purely instrumental rationality of experts or techno-structures (deficit of meaning and common purpose) on the other.

A community, made of diversity, builds itself and its future exactly by reconciling the requirements of results and shared direction in the action. Doesn't this reconciliation define the political function precisely? The rhetoric of the permanent change cannot replace an historic perspective (a "better world") without damage or a political project (we agree on this future and are collectively going to work to realize it).

3. 4. Strategy of economic development in the context of territorial revitalisation

Globalization of the economy comes along with a movement towards the reorganization of production. The company is no longer the box which contains all the functions necessary for production; it is an element in a consecutive chain. Every element (production, research, marketing, headquarters) is at the same time increasingly autonomous in its localization decisions and increasingly connected in a complex network of partners (cf. Suzanne Berger "How we compete").

The local accumulation of non tangible assets (researchers, centres of innovation, places of training, universities, quality of the relations and the organizations, confidence between actors, knowledge, and culture) is a "positive" external feature which is very discriminating. This accumulation depends widely on investments and on public policies. Public/private partnerships find a fertile domain of application there. The approach to at least the following two interconnected issues would be interesting during this social and economic capitalisation process that takes place in the revitalisation processes following restructuring in the territory: Which elements have been incorporated into these processes that allow and guarantee a socially equal administration of the new opportunities generated? Or, in other words, how can the appearance or maintenance of new gaps in the access to knowledge and opportunities, new centres of inequality¹⁹ leading to economic and social exclusion, be avoided?

Geographical proximity increases the return on innovation by facilitating the distribution of tacit knowledge and producing interactive processes of innovations and by accelerating the integration of these innovations in the production line. At the time of globalization, the territory is still an essential factor of competitiveness. We can propose several types of relations on a territory and several types of strategies for local development.

Three schemes:

- * Localization of an autonomous sequence of the consecutive chain and relation with other modules across the world. These sequences are extremely mobile, and this "unstable" division of work concerns them all (c.f. the production of computers or the localization of computing services in India). The links with the territory are fragile. They essentially concern training, land tax, the living environment, etc.

¹⁹ Disappearance of the small undertakings and suppliers fabric, typical in certain local communities; creation of early retired population or structural unemployment of low-skilled persons over the age of 45, etc.

- * Clusters and "historic" districts are built on the existence of cooperation between companies (with a significant weight of SMEs). They remain widely organized around a specific knowledge, local professional cultures and an organisation in groups which leads to economies of scale (shared management of equipments).
- * The poles of competitiveness or growth poles. They symbolize the will to position territories in new sectors in which competitiveness is dependent on research laboratories, high-level skills, and effects of learning of appropriate knowledge for the company. Cooperation incentives (financial and rhetoric) and governance modes which associate the partners are marked by a firm voluntarism of local authorities.

If the industrial districts privilege historic continuities and the construction of a network with strong intensity, the poles generally privilege breaks, new sectors, emerging technologies, "variable-geometry" networks and specific projects.

The building and implementation of these economic development strategies are mainly independent of the restructuring process itself. The connections between adjustment and revitalization are weak at the operational level. They are possible and strong at the strategic level, within global governance (see point 1 "Time management").

There would be a fourth scheme: *abandoned* territories, outside the European development axes due to their geographic situation or the lack of their own resources and assets.

4. Guidelines and approximations to be followed by future discussions

Some contributions (intuitions and uncertainties) obtained in the workshops that which we believe are worth discussing in depth are pointed out below:

4.1. In this time of structural changes, territories are more exposed than ever to the global competitiveness of markets. Restructuring and revitalisation of territories require **integrated approaches** in their treatment, which requires long-term perspective and planning as prior conditions. A shared diagnostic leads, within other requirements, to gaining time (anticipation), a quality in the information available and trust between the stakeholders involved, even fluent informal relationships (the Fortis crisis) that facilitate intervention. How can this culture of anticipation-cooperation be promoted in European territories where it does not exist (new Member State regions²⁰)?

4.2. **The competition between regions** is no longer based on raw materials or sources of energy. Besides the aforementioned externalities, the capacity "to accompany" restructuring processes and to bounce back by building new strategies is a crucial element of the competition to welcome and keep economic activities and jobs. As companies always have a preference for reversible decisions, the actors in charge of the development of territories cannot hope to attach any activity definitively. On the other hand, they have wide margins of action to offer the economic, social, cultural, environmental framework which will give preference to this territory rather than to another one.

4.3. In this context of competition between regions, we may question the role played by **European policies in the restructuring of territories**. It is common knowledge that most EU policies are restructuring policies with a high level of territorial impact (positive and negative, as for instance the

²⁰ In Romania, the Hunedoara area, starting in 1997, with a massive restructuring process both at sectoral (mining and metallurgy) and regional level

CAP), which generate artificial income for individuals at the same time. Could the inclusion of these policies (which are not structural funds) in an integrated European approach to restructuring be debated? In general, the cohesion policy stimulates regional convergence (the *approaching* Community average effect) by means of competitiveness (investment in physical and environmental infrastructures). However, beyond the now obvious European map of prosperous and integrated regions (NUTs II) and those that aren't, a European spatial approach at territorial level does not seem to exist for the 21st Century. This is not an EU competence, but the growth results in the coming years seem to point towards an increase in real divergence at territorial level. Is there coherence between single market, competences (State aids with regional objectives) and environmental policies with regard to restructuring in the territories? Who tallies the impacts, the results balance derived from the activity of these policies which are contradictory at times, and how?

4.4. The issue of **monitoring and assessing** interventions in the case of restructuring and revitalisation: who carries out these tasks, for how long and how are the results disseminated – in terms of the profitability of the investments made, occupational changes, impact on income and families, etc. A specific evaluation of the efficacy and impact of Structural Fund activities in their contribution to restructuring would be convenient.

4.5. Education and innovation as a weapon for anticipation: territories investing in *educating themselves* are anticipating their future and foreseeing the management of crises and restructuring. Qualified, flexible and diverse (immigration phenomenon) populations are better prepared to minimise the impact of restructuring and to participate in revitalisation processes.

4.6. Restructuring processes are increasingly focused on **urban areas** at territorial level. Changes take place in these spaces that are more exposed to economic and industrial competition due to the presence of SMEs and micro-enterprises. Would a specific strategy be necessary to tackle these complex urban crisis processes with several overlapping levels and dimensions (the city as an economic pole and connections hub; generation of innovation and new skills; town planning; integration of immigration, etc.)?

4.7. It would be convenient to delve deeper into the role that companies play or may play in restructuring the territory. How can those that delocalise contribute to revitalisation? What roles should RS play? Those affected, how can they participate in regeneration? The current financial crisis will have repercussions in the real economy, also in the territory, presumably making them more specialised. Attracting *new* large-scale investment from large companies will be difficult in coming years. The role played by SMEs will be vital. Are strategies **from the territory**, using typical competitiveness instruments sufficient for them: access to land and communications, tax benefits, etc.? What could the new additional tools to work towards re-converting the territory be: skills councils, local innovation systems cooperating in a network with other European systems, etc.?

Chapter 5

Health workshops

Main outcomes

by

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1. Restructuring and the health perspective: issues, evidences, barriers

Two major issues were discussed:

- Why is health so poorly taken into consideration when restructuring occurs? What are the main obstacles?
- What innovative approaches could produce healthier restructuring?

1.1. Restructuring and health: the links between two concepts

Present restructuring processes are often very complex. Beyond downsizing and the loss of jobs, restructuring means organizational changes that are much more significant than commonplace changes and affect at least a whole organizational sector or an entire company. Restructuring is no longer a one-shot phenomenon; it is a recurrent, continuous process requiring constant adjustment.

The debate on enterprise restructuring in the EU has been primarily lead under the perspective of how to find ways to cope with the challenges of the globalised market conditions and the increased competition with countries outside of the EU, which have different regulations regarding employment, industrial relations and Occupational Health and Safety (OSH) standards.

The concept of health, in regard to restructuring, has been employed predominantly in a rather narrow sense, i.e., in the sense of the "healthy organization" as concerns the economic dimension of global competition. What has been widely neglected, however, is the concept of health, both individual and collective, and not only the absence of illness, but well-being as to physical, emotional and social aspects. This includes:

- The health of those who, as a result of restructuring, are forced to leave the company after the organizational change, the "victims of layoffs" and of those who remain in the company after restructuring; the so-called "survivors-of-layoffs".
- The "collective health", as the social climate, the collaborative spirit and the positive relationships between colleagues.

1.2. What arises from scientific literature and empirical evidence?

Research, studies and daily experience show a multi-dimensional relationship between health and restructuring:

- People affected experience considerable stress levels due to increased job insecurity, changed requirements, new task designs with new routines and the breaking of their relationships with other colleagues. The first group, the victims of downsizing processes, has received broader attention in traditional unemployment literature with the specific focus of the EU discourse on the risks of social exclusion being associated with the experience of dismissal and the threat of remaining long-term unemployed. The second group, the survivors of layoffs, has not received much attention up to the last decade, as this was a rather new topic in research.
- Other groups that have to be taken into account in regard to the health effects of restructuring are the managers responsible for organizing the process, the families of the victims and survivors as well as the communities directly affected by the restructuring process.
- Restructuring also entails uncovering effects, psychosomatic diseases and the chronification of pre-existing health problems and also pre-existing psychological weakness in terms of self-esteem, adaptability to change, connected to "objective" employability. Furthermore, some studies point out higher mortality rates for people having experienced major downsizing.
- Manifold psycho-social risks occur in the different phases of the restructuring process. Poorer mental health and distress, which is already in the anticipatory period together with riskier health behaviour, is associated with relevant changes in organisational behaviour, such as reduced job satisfaction, increased absence, intention to leave and increased accident and injury rates. Those who leave the company to enter a new job often report better mental health than those who remain (survivors), whereas those who were forced to leave and remain unemployed show a wide variety of deterioration of their health (with special focus on depressive disorders), which also contributes to reduced employability in the future.
- Furthermore, restructuring processes not primarily associated with downsizing or other forms of job cutting, notably the introduction of organizational concepts such as just-in-time management, teamwork, subcontracting and an increasing number of flexible workers, may lead to new risks, such as no transparent division of tasks and responsibilities. It is clear from empirical findings that these organizational trends are associated with high levels of stress (just-in-time), higher rates of accidents (subcontractors, temporary staff) and confused OSH-responsibilities (subcontracting).

1.3. Health: still a hidden issue

Despite the evidence, health is still often a very hidden issue for managers, trade unions and employee representatives involved in restructuring and for OSH services. The unclear division of responsibilities, the differentiation of motives, perspectives of action, and expected outcomes of the restructuring process are among the barriers which explain the predominant absence of health issues in their restructuring agenda. Looking at new jobs is the top priority for dismissed people, whose dismissals will put them out of the scope of OSH frameworks. For "survivors", health is seen as a minor issue. OSH services are not invited to participate in the process and their tools are not framed for that purpose. Furthermore, most health-related costs are externalised, i.e. they are not equally distributed between companies and employees and most of the medical costs are taken over by the society.

2. Restructuring and health: innovations

2.4. Health as a resource to smoothen restructuring processes

Although not focussing on the health dimension of restructuring from the beginning, the MIRE²¹ project resulted in pointing to the often neglected health aspects of restructuring, and searched for ways to analyze processes where the effects and approaches to influence the health of the workers in a positive way in order to help them to adapt to organizational changes is thoughtfully being taken into consideration. By analyzing barriers and the potential for bringing the health issue into the agenda of the management of complex organizational changes, there was one striking result that the full process could be managed in a smoother way and the outcomes could be achieved more effectively, in case the health dimension was considered as a relevant issue from the beginning and if it was integrated into the social dialogue of the social actors.

2.2. Social partners' initiatives

As stress is still often denied and a very controversial issue for companies, there are now some remarkable trade union initiatives (e.g., the car industry, telecom companies, banks and insurance) and also a few participative approaches led by the social partners, which take into account the health impact of restructuring, with the aim of preventing stress effects with noticeable support for employees.

2.3. Increasing importance of transfer units and companies

A growing number of transfer companies and transfer units now include health aspects in their activities, even if it is still quite modest and mainly reactive. It contributes to make workers more active and not simply "victims". In such cases, works councils often react very positively to proposals, including health care, explicitly.

2.4. Psycho social risks, ageing and health insurance costs as new drivers

With psycho-social risks and the ageing workforce emerging as crucial issues, there is all the reason to treat restructuring as a process to be investigated and monitored. Moreover, with increased health problems, health systems and health insurances face higher costs. Therefore new social actors have come into the debate, such as company-based health insurance schemes, which show great interest in becoming active with their specific competencies in the restructuring process.

3. Restructuring and health: perspectives and challenges

3.1. Health and socially responsible restructuring

A concept of enterprise restructuring that aims at preserving certain features of a European social model of employment relations with the new demands of a globalised competition has to take into account not only economic indicators of the health of a company but also the individual and collective effects of restructuring on the workforce. This will show to be a considerable long-term impact on the competitiveness of the economy as well. This new understanding broadens the perspective from a unilateral shareholder perspective, or even by too narrow a bilateral perspective, often pursued in the restructuring effort to a more balanced or global view on the interests of all stakeholders, or all issues

²¹ Monitoring Innovative Restructuring in Europe, a 5-country project funded by ESF, article 6.

involved in the full process of company adaptation and accommodation to the globalised economy with the goal of socially responsible restructuring.

Whenever restructuring processes neglect these issues, vicious circles of restructuring appear that include a counterproductive loss of productivity after restructuring, as ILO has pointed out. This relevant outcome can be seen as a supplementary motive for the increased attention for the mechanisms of a responsible management driven by enlightened self-interest. Creating a healthy and safe workplace culture to ensure sustainable economic success! The health aspect of restructuring can be considered to be central as health itself is a crucial part of employment and very relevant for the future performance of companies. The development of closer links between change management in terms of awareness and of actions to be taken – even for slighter changes than restructuring – and stress prevention interventions based on already existing health promotion approaches can be seen as a constructive response for companies and employees alike.

3.2. The social justice dimension

The main challenges for the future are diverse and health is still not part of the “Community acquis” when it comes to restructuring. Beyond alternative and/or additional approaches, a crucial point seems to be the involvement of employees and unions in the decision-making process from the beginning as well as the way in which the trust and justice dimensions are taken into consideration in restructuring, e.g., the extent to which the decisions, the procedures and the communication about the goals are assessed as fair by the workforce.

3.3. Some ways to be urgently explored

Our workshops identified new approaches, including:

- Better assessment of costs and benefits arising from restructuring processes, including health aspects and the costs of ill health, as well as those arising from prevention strategies able to save costs for companies, public health and citizen.
- Development of specific training offers or assistance for vulnerable groups (victims and survivors), as well as for managers, trade unions and OSH specialists.
- Conceiving of focused support strategies for managers involved in restructuring decisions. The resource oriented perspective of these efforts should be the maintenance or strengthening of available support systems and the reduction of negative stressors in the restructuring process.
- Reframing OSH tools and frameworks in order to properly address what has now become a part of everyday life for both companies and employees, and to develop health promotion.
- Development of co-operation between occupational health and public health in order to monitor health at territorial level, including regional networks able to involve all stakeholders (companies, association of employers, health insurance companies, social offices, staff insurance companies, OHS services, employment offices etc.) with the aim of improving health in connection to the employment situation.
- Covering of an increasing number of workers that very often “fly under the radar of OSH”: e.g., the self-employed, agency, temporary and part-time workers.

Chapter 6

Innovations, obstacles, proposals

Main conclusions

by

Claude Emmanuel Triomphe
IRENE coordinator

Previous chapters highlighted conclusions drawn by each group of actors facing restructuring: managers, trade unionists and European works council members, experts on employment services, territories or health. Those conclusions are of a different nature but also have something in common, especially when it comes to obstacles encountered by actors of a diverse nature, innovations and perspectives.

What are the main innovations identified by IRENE workshops? What obstacles remain to be tackled? How does the present crisis challenge restructuring approaches and offer opportunities to think and to act in a different way?

1. Innovations identified

Despite heavy obstacles and routines, innovative restructuring does exist. IRENE workshops identified some of them, mainly in three fields.

1.1. In the field of social dialogue

- ***Negotiating restructuring***

Facing restructuring, some European companies have explored ways of signing up Framework agreements with European or International trade union federations on restructuring and sometimes on the anticipation of change. This trend is strongly supported by the European Metal workers federation. The current crisis will be an opportunity to test how the new kinds of agreement may work and open the way to other companies to start negotiating such arrangements.

- ***Multinationals to develop both social and territorial dialogues***

When it comes to social dialogue and social measures, the role of multi-national companies has to be emphasized: sources of many restructuring processes, the companies are also disseminating social standard throughout Europe going far beyond the usual measures like severance packages and early retirement. This trend is not so obvious when it comes to the dialogue with local communities: some of them are practicing it; many are still distant and reluctant.

- ***Skills councils and learning representatives.***

Lifelong learning has been promoted over the past years; in order to better anticipate new skills and shifts in skill requirements, several countries and regions set up skills and employment bodies to bring

together educational and training organisation, business, local authorities, employment services and social partners. An initiative was taken few years ago in the UK to set up learning funds and learning union representatives. By increasing the possibilities to get more vocational training and to make employees more willing to enter into learning processes, especially among low qualified people, the UK experience in that respect should be discussed and possibly enlarged.

1.2. In the field of social measures

- *Multi disciplinary services*

Both public and private employment services have started to expand their services when it comes to restructuring. They might include, beyond their traditional employment services, new services including training, coaching, facilities for mobility, such as housing, facilities with banks, health assessment and promotion etc.... Important companies now use replacement and transfer units as a common device and include more and more new services, which go beyond helping to look for and offering new jobs. In some countries, the unemployment rate has dropped to such an extent that employment services are thinking about shifting to “Change” accompanying services.

- *Health as part of the restructuring approaches*

The impact that the restructuring process has on health is important for those who have been dismissed and the “survivors” of drastic organisational changes. The use existing legal frameworks focusing on psycho-social risks is a way to reframe occupational health and safety tools and frameworks in order to properly address what has now become a part of everyday common life, and to develop health promotion.

There are companies and social partners’ initiatives that are aiming at monitoring stress as well as providing health check-ups, wider risk assessments, health promotion and special attention paid to people already sick before restructuring. In some countries health insurance awareness about risks related to restructuring increases and leads to experimental prevention programmes funded by them. Monitoring occupational and public health at territorial level has also started and could be promising if follow-up actions are taken.

1.3. In the field of employment services and territorial approaches

- *From employment services to changed security services?*

In some Nordic countries, in particular, such as Finland, employment services are now thinking about a shift towards changed security services. This refers to a new situation where massive unemployment is not at stake anymore and public services, in close relationship with social partners, wants to embrace a wide range of issues related to permanent changes: employment, training, working conditions, mobility etc.....

- *Flexicurity approaches*

In The Netherlands, for example, some of the flexicurity principles were implemented jointly by intensive networks of co-operating public and private partners, established in the history of the region (learning from restructuring in the past). The “strong start”, was one of them, combining, to the extent possible, employment security with external numerical flexibility or internal functional security.

The keys to success were based on:

- Shared diagnostics between the different stakeholders;

- A commitment towards work reorganisation on behalf of the undertaking and a financial compromise;
- The need for tailor-made individual solutions.

- **Local labour market governance and tools**

In many EU countries, territorial approaches are growing, urging the actors to go beyond the perimeter of each company and to take into account the interests of the local community affected by restructuring. These various approaches make it easier consider small companies and include both short term and midterm policies: the first ones, related to specific local labour market adjustment strategies and the second ones willing to foster new activities and new jobs.

Initiatives are numerous: they deal with cross-company platforms for redeployment and reconversion, improvement of the attractiveness of SMEs, development of local vocational training offers, sharing of grants and skills for existing companies, setting up new projects for urban planning, trying to enhance poles of competitiveness or growth etc...

Increasing cross border regional co-operation and decentralisation trends taking place in many member states is supporting those innovations and seems to be having a positive impact on employment services as well as on social dialogue.

2. Remaining obstacles to be tackled

2.1. Anticipation and legitimacy for change

Anticipation seems at best at an emerging level. Locational flexibility, confidentiality, asymmetric times, between companies, employee representatives, public bodies and policies and territorial initiatives together make it very difficult. Facing restructuring is still characterised by reactive responses, if not passive. The present crisis, especially in the automotive, financial and construction sectors, stress the lack of anticipatory approaches and resources.

In many countries, employees as well as companies, social actors and public authorities are not ready for change. Not only because it is difficult but also because the legitimacy of change is at stake and the stress caused by the present crisis is making it more controversial: lack of economic and social justification, lack of common diagnosis and frameworks, lack of communication.

2.2. Social dialogue and new forms of labour

If it is widely recognised that social dialogue smooth restructuring consequences for employees, its outcomes as well as its frameworks are now challenged:

- late - or lack of relevant information - given to employees and their representatives does not allow anticipation and preparation:
- Social dialogue barely copes with employees in so-called atypical forms of labour and rarely covers SMEs, especially subcontracting companies
- Social dialogue does not cope automatically with social justice and may lead to unequal treatment between employees (older/younger; women/men; open-ended contracts/fix-term contracts,..)

2.3. Pan European restructuring

Another issue for our workshops was pan European restructuring: it is growing but dealing with it at transnational and European level, within or outside the companies, remains difficult. European social dialogue barely deals with pan European restructuring: from a management point of view, it is still considered to be socially managed at national or local levels whilst European employee forums, like European works councils, generally remain weak and international solidarity sometimes sounds hypocritical. For others, acting at cross-border level is not even in question. It still leads to double if not triple standards of social policies, often not enforced “equally” between the parent company and the subsidiaries in other countries, even when companies refer to their CSR

2.4. Social measures still passive and selective

IRENE practitioners noticed that, when restructuring leads to dismissals, despite discourses favouring active measures, companies and workers still support passive measures such as severance packages and retreat of the labour market. Selection criteria are intensively debated, especially in countries where no one is binding (like the seniority principle). Lifelong learning is not yet widely practiced, especially for those who need it most: low skilled people, low paid activities...

For dismissed people, as well as for those who remain in the company, the impact of health is strong but mostly invisible. It is a hidden issue for managers, employee representatives and OHS experts.

Lastly, the follow-up of people being restructured, with or without dismissals, represents a challenge for business, trade union structures and public employment policies.

2.5. Employment services and territories

In many cases the link between employment services, companies and social actors is absent when restructuring occurs, although in some countries public employment services are now decentralised, so as to be close to local situations. For public employment services, which have been under a lot of pressure for years, restructuring is perceived more as a threat than as an opportunity to act in a proactive way. Being far from able to anticipate, they are not really used by large companies: the latter are increasingly using replacement, outplacement and transfer measures through external providers or internal specialised departments, opening for them a new market.

Significant restructuring may lead to new and ad hoc institutional designs. But the lack of institutional stability might be problematic, leading to unequal treatment depending on company sizes, sectors, unionisation rate etc....

Neglected during a long time, regions and local communities promote themselves as relevant frameworks for long term strategies, including adjustment, revitalisation, economic clusters and poles of growth. Most of them have taken a multi-stakeholder approach but their link with company networks, especially those facing restructuring, or trade unions, could be missing or weak. Their outcomes are uneven, especially when it comes to adjustment and management of transition periods between declining and future activities and jobs. **Lastly**, regions and local communities are using a lot of European funds (ESF, ERDF, not to mention the obviously inadequately designed EGF), whose outcomes in terms of dealing with restructuring are neither really assessed nor clear.

3. Crisis and future restructuring: rethinking structures and practices

For managers, trade unions and employees, restructuring covers a wide range of changes affecting at least a whole organizational sector or an entire company in the forms of closures, downsizing, job losses, outsourcing, off-shoring, sub-contracting, merging, delocalisation, internal job mobility or other complex internal reorganizations. However, it mostly means downsizing, closing factories and dismissals for employment services and territories. Many drivers are at stake, mainly technologies, survival, competitiveness and also a pure search of short term profit. The present financial and economic crisis combines many features and brings restructuring again to the top of European agendas, quickly reducing the gap of its perception among Member states, especially for those who have so far considered that it was almost over in Central Europe.

But the crisis leads to a “changes scene” without a clear framework challenging answers, responsibilities, methods and resources set up in Europe to face change. How should one react to a predictable long recession? How consistent are our social buffers when unemployment, inequalities and poverty are back? Do we need to rethink frameworks and practices? To what extent must the consequences of the world financial crisis be supported by organisations and individuals not directly responsible for it? In many cases a company-level approach appears not to be relevant and wider measures are needed. The concept of anticipation suffers. Legitimacy of change, social justice and fairness are returning to public debates. New codes, new rules, new management models have to be invented to cope with the current phase of restructuring in a different, less detrimental and more successful way.

Restructuring is costly for organisations, individuals and societies and it need to rethink different frameworks and methods for social dialogue. It requires a response from the employment services, territorial strategies, social policies and the role of governments in order to be both economically efficient and socially responsible. Therefore IRENE practitioners suggest considering 7 critical areas for progress.

3.1. Legitimacy and communication

Issues

The legitimacy of the goals for change needs to be really worked out. Without such legitimacy, reluctance/resistance to change as well as lack of trust or feeling of unfair treatment occur and make restructuring both economically and socially unsuccessful. IRENE practitioners also pointed out that late or the lack of relevant information given to many stakeholders, including, employees and their representatives as well as local communities, does not allow anticipation and preparation. It has, on the long run, a detrimental impact on the overall society.

Proposals

- a. After decades of endless restructuring, decision-makers and leaders have to start restructuring in a more mature way in order to better able to respond to it, seize opportunities and reduce damage.
- b. Communication between management and employees and their representatives or between companies and external bodies: subcontractors, local authorities, employment services, etc....is crucial. Therefore, management models and communication processes need to be reframed and improved in terms of
 - Timing (as early as possible and developed within a permanent dialogue)
 - Quality (as completely as possible)
 - Giving perspective (to embed the restructuring process into a long term narrative)
 - Equal standards between countries when global or pan European restructuring occurs

- Reaching everyone impacted within companies, especially leavers and survivors and middle management
- Giving opportunities to be an actor and not only a victim.

3.2. Inequalities and social justice

Issues

Fairness in restructuring processes is lacking. Social measures excluding de facto SMEs, benefits set aside only for a part of the workforce, imbalance between high bonuses and incentives on the one hand, low wages and reduced social benefits on the other, poor “social plans” for poor people, denying selection processes and situations of many individuals: altogether restructuring widens and strengthens inequalities.

Proposals

IRENE practitioners wish this challenge to be confronted honestly at all possible levels and by all actors involved by

- a. Rethinking the selection criteria in order not to discriminate groups of most vulnerable workers
- b. Considering “Basic social rights” including - at least - the right of real income-protection in case of restructuring-related layoffs and the right of life-long-learning
- c. Including all employees, whatever the nature of their employment, in the scope of anticipative or mitigating measures
- d. Concluding collective agreements covering all type of workers, independently on their employment status: “atypical workers”, migrants, etc...

3.3. Transitions and empowerment

Issues

Restructuring needs a transition process for people and territories heavily impacted. But appropriate frameworks for transitions are still weak and not stable. Transitions are not eased by an “over-victimisation” of employees affected by restructuring; being only considered as victims does not allow them to take responsibility and to seize opportunities for their own destiny.

Proposals

To better address transitions, IRENE practitioners emphasize that:

- a. Employees affected by restructuring should not primarily be regarded as passive victims but as individuals who are basically able to take responsibility for themselves and their future - even if they are in a difficult situation. Thus an important task for employment services and, more generally, the social measures and services, is to empower them to assume this responsibility.
- b. Representation of interests must be combined with a real participation of the employees concerned. Employees should really have the chance to follow-up collective bargaining relating to the restructuring process by discussing their provisional results and to take influence on the arrangement of social measures and restructuring-related labour-market instruments. It should be avoided that employees concerned by restructuring hand over the responsibility for themselves and their individual future totally to their collective representatives.
- c. The definition of transitional stable frameworks at individual and organizational levels, involving a shift of responsibilities able to decrease job insecurities, a new concept of employability, dealing not only with employment security but also with change security and offering a real support for social convoy in occupational transitions.

d. Transitions include alternatives to traditional passive measures: financial compensations and early retirement. With the present crisis, intelligent measures keeping people employable, combining work and learning, reduced working time and other activities supporting employability have to be developed and expanded.

e. Transitions also include local (re)development schemes based on multi-stakeholder approaches and mutual learning. Territorial responsibilities of restructuring companies have to be considered and territorial dialogue needs to be promoted in this regard.

3.4. Enlarged social dialogue and professionalism

Issues

Social dialogue has been developed and has reached a mature level, although improvements and better coverage are still needed (SMEs, new activities, new Member States). However, social dialogue still doesn't address the restructuring processes and unstable situations enough:

- A significant number of managers, employees' representatives and external actors still act as if restructuring were occurring for the first time. Among these actors, there are a lot of shared resources available but very often they are fragmented and difficult to access.
- Social dialogue processes too often exclude entire categories of workers – in particular those working under new forms of labour – economic networks, SMEs and part of the supply chain, which are often cross sectoral and cross national
- At international level, European works councils have taken a step forward but they still do not operate at the level they should.
- Further on, the relevance of for dealing with restructuring at company level is being increasingly challenged by a need to consider separate approaches for different sectors when it comes to activities affected by globalisation and the new international division of work.
- Another challenge is related to stakeholders and new actors being able to facilitate the restructuring process. However, they are not usually involved in the social dialogue. Experience shows that new co-operation is needed and must be shown that it can work successfully.

Proposals

- a. As far as possible, social dialogue has to be conducted in the view of going beyond information, exchanges of opinions, and consultation but with a view of reaching an agreement.
- b. New forums; supply chain, sector, territory and cross borders, have to be set up. Employees working under new forms of labour should be represented.
- c. Employers and trade unions whose structures, related to the social dialogue or not, need to be renewed in order to better support their members facing restructuring and to better articulate local and global dimensions. Networking with other organisations and other civil society groups in order to build task forces, alliances are needed to better address multi dimensional and multi level restructuring issues;
- d. Social partners should invest more in that field, better equip their representatives and make better use of existing resources and cognitive maps. Counselling, training, continuous monitoring etc: professional norms for restructuring need to be established and implemented;
- e. Doors should be open to new actors when it comes to future activities, jobs and individual destinies. Innovations in terms of agreements on methods, where different stakeholders agree

on processes, tools, time management, resources and expertise, have to be more extensively considered.

3.5. Health and social measures

Issues

Restructuring is not always healthy for organisations no individuals. It is still a hidden and neglected issue. Scientific and empirical evidence show that restructuring is very detrimental in terms of diseases, mortality and employability for people involved in restructuring and affects employees that have been laid off, survivors and their proxies: partners, children and families. This aspect must be addressed as thoroughly and as soon as possible.

Proposals

In order to better combine restructuring and well-being for all, IRENE practitioners emphasize

- a. A duty to consider health as a new area of responsibility at each stage of restructuring and as a part of social dialogue from the beginning;
- b. In order to reduce health problems, to ensure more of social justice and fairness within the restructuring process;
- c. The necessity to assess and monitor health related to restructuring at both company (as part of occupational risk assessment) and territorial levels;
- d. To broaden employability concepts in order to consider individuals as such and not merely as job seekers;
- e. To include new actors – health insurances for example - to better confront health issues.

3.6. Common European norms and funds

Issues

There are many European standards dealing with restructuring in the EU: labour law directives, competition rules, structural funds, etc. However pan European restructuring is neglected and still treated on a country-by-country basis and a common restructuring framework is lacking. Should restructuring consequences on European citizen and societies be a field for a race to the bottom? Due to their complex access procedure and unequal implementation, both the European Social Fund and The European Globalisation Fund are underused to confront restructuring efficiently and in a socially responsible way.

Proposals

IRENE practitioners are divided upon the extent of an appropriate regulatory framework. But they emphasize a need to behave in a more harmonised way. Therefore they suggest

- a. A definition of basic social rights for people impacted by restructuring processes
- b. To adopt a European framework code of conduct – possibly by amending OECD guidelines for multinationals - including main agreed methods and standards, and binding at least for multinational companies fulfilling the prerequisites to set up a European works council

- c. A drastic revision of European funds, in terms of access, eligibility and implementation rules, to properly address present and future crisis and changes.

3.7. Multi-stakeholder and multi-dimensional approaches

Issues

A multi-stakeholder approach is promoted by many studies and projects. But it is not so obvious. Multi-stakeholder frameworks are often seen as too complex to handle and poorly efficient. However, restructuring forces us to consider more integrated approaches in terms of services for both companies and workers. Restructuring is a process involving various phases, each of which probably needs a multi-actor combination, but not necessarily the same. Restructuring approaches have to take into account revitalisation and innovation on the one hand and a wider social dimension than that of employment, including social justice, health aspects, individual and collective social networks on the other.

Proposals

- a. To make multi-stakeholder approaches efficient, IRENE practitioners recommend bringing together a restricted number of actors – between 3 and 5 - to solve common issues and to start processes. Experience shows that a core of actors that decide to act together is more efficient than large platforms of reluctant organisations.
- b. A multi-stakeholder approach does not contradict mono-stakeholder exchanges and thinking. Fostering “peer to peer exchanges” across Europe is needed to benchmark good practices and to learn from bad ones.
- c. Multi disciplinary approaches and changed securities services must be promoted through territorial frameworks to better combine proactive restructuring with developments of organisations, individuals and local communities.

4. IRENE proposals and target groups

IRENE proposals are directed at all, companies, social actors, public authorities etc... This set of proposals is not exhaustive but aims to highlight the future priorities and areas for improvements and this is not the same for each key player in the restructuring processes. Therefore we have selected what the main critical issues should be for each of them, based on our exchanges.

For companies and managers

IRENE practitioners recommend considering proposals, mostly developed in points 3.1., 3.2., 3.5. and 3.7, for

- Better communication and new management models able to improve the legitimacy for change
- Selection criteria and atypical workers
- Health monitoring and attention in this regard paid to dismissed people and survivors (see proposals)
- Multi-stakeholder approaches and territorial responsibilities
- Increasing and improving professionalism

Social actors and social dialogue

Here IRENE practitioners recommend considering proposals, mostly developed in points 3.2., 3.3., 3.4., 3.5., 3.6. and 3.7, for

- More inclusive and effective frameworks able to deal with
 - health issues
 - pan European restructuring
 - atypical workers
 - subcontractors
- Active social support, lifelong learning for all and empowerment
- Increasing and improving expertise and professionalism for their members
- Openness to new actors and multi-stakeholder approaches

Public authorities at national and local levels

Here IRENE practitioners recommend considering proposals, mostly developed in points 3.2., 3.3., 3.6. and 3.7, for

- Setting stable frameworks in order to support transitions in long term strategies
- Ensuring equality and social justice among those impacted by restructuring, providing basic social rights and empowerment
- Promoting multi-stakeholder and multi disciplinary approaches, especially at territorial and sectoral levels
- Fostering local and sectoral labour market governance

EU institutions

IRENE practitioners recommend considering proposals, mostly developed in points 3.1., 3.2., 3.6. and 3.7 for

- Assuming proactive restructuring and giving legitimacy for change
- Ensuring equality and social justice among those impacted by restructuring; providing basic social rights and empowerment
- Defining a common European restructuring framework, especially for multinational companies
- Working out better rules and use of pan European restructuring funds

Societies

IRENE practitioners recommend considering proposals, mostly developed in points 3.1., 3.2. and 3.7, for

- Assuming proactive restructuring and giving legitimacy for change
- Ensuring equality and social justice among those impacted by restructuring; providing basic social rights and empowerment
- Developing multi-stakeholder and multi-dimensional approaches.

Obviously, the present crisis not only brings restructuring to the top of national and European agendas but also requires change, new thinking and new practices on a large scale. In such a context, IRENE's contribution is to emphasize the need for realistic but ambitious progress; it also represents a call for wider exchanges, discussions, innovation, negotiations and regulations.