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SOCIAL DIALOGUE AND RESTRUCTURING IN EUROPE FACED WITH THE CRISIS: CONSEQUENCES AND RESULTS

Colloquium of 4 and 5 May 2010

Organised with the support of the European Commission

Continuing its examination of the roles played by Europe's key economic and social players in the emergence and consolidation of social cohesion within the European Union despite the diverse situations prevailing in the 27 member states, *Europe et Société* organised a colloquium with the support of the European Commission held on May 4 and 5 2010, examining the manner in which the parties concerned have approached the issues raised by the recent wave of restructuring programmes.

Although this is certainly not a new phenomenon, the restructuring programmes occurring in Europe today may be seen as a further step backwards in the industrial field, or even a relative weakening of the Union's most important countries. Globalisation and the current economic crisis are hitting both large groups and small businesses alike, i.e. the whole industrial and economic fabric of society. This is resulting in restructuring efforts, which can have dramatic consequences and for which the proposed solutions are proving to be less and less acceptable to the participants concerned.

As *Europe et Société's* General Delegate **Jacques MOREAU** reminded us in his introduction, the purpose of our association is to better identify how, in a situation which differs from that prevailing before the crisis, the social

partners (companies and unions, etc.) are reacting faced with restructuring and what may be the outcome of the resulting negotiations and discussions.

These two days included four key stages, which involved:

- 1) Examining the manner in which restructuring is handled in the European Union and particularly through European policies, both past and present;
- 2) Identifying the attitude of the social partners faced with restructuring during a time of crisis, particularly by considering two key issues: the existence or otherwise of social dialogue and the importance of anticipation (i.e. forward planning) when providing information for the social partners;
- 3) Giving thought to the role of the local authorities according to the diverse situations existing in each country, and examining how the public authorities react when faced with the problems of restructuring;
- 4) Analysing how the crisis is affecting the development of a coherent, inter-sector European social dialogue, the challenge of which is to boost Europe's social cohesion and competitiveness faced with globalisation.

REDEFINING RESTRUCTURING IN ALL ITS COMPLEXITY A THREAT OR AN OPPORTUNITY FOR SOCIAL DIALOGUE?

Valeria PULIGNANO, Professor at the Faculty of Social Sciences of Leuven (Centre for Sociological Research, Belgium), opened the colloquium by providing us with an overview of the situation and defining the notion of restructuring as it stands today. In her view, the causes are many and varied, making a definition all the more complex. This is a multifaceted and multi-professional process in terms of the forms of activity concerned, a process driven and encouraged by globalisation. Not only is the crisis spreading to the financial and economic sectors, but it is also having major repercussions where employment levels are concerned.

The consequences include:

- A reduction in employment levels and a rise in unemployment levels of more than 1 % over the last year, with changes in

unemployment differing according to the sectors concerned;

- An increase in part-time working of more than 1.5% compared to the normal rate, particularly through the rise in unstable (short-term) employment among young people, something which has today become a necessity rather than a choice.

Since 2006, the European Union has worked to introduce a new approach as part of the Lisbon strategy, including an obligation to inform and consult the social partners with a view to ensuring that genuine negotiations take place. However, although directive 94/45/EC (revised in 2009) introduced a right to information and consultation for European works councils, making it possible to better manage consultation

on a transnational basis, the fact nevertheless remains that their role is limited, fragmented and even contested, despite the fact that this right is considered as firmly established and is a key principle within the restructuring process. Proof of this can be seen with the rise in the number of EWCs in 2009.

Despite the enhanced role now accorded to them, it is also necessary for these partners to know how to effectively use the information made available to them in order to circulate it within their business sectors with the goal of successfully pooling their experience to forge regional and national networks, of ensuring dialogue between the various levels, while at the same time improving transnational participation. However, it is unfortunately all too often the case that these works councils are not consulted.

The difficulties experienced by the European Works Councils when it comes to getting fully involved in an effective information and consultation policy is not so much due to institutional weaknesses but rather to the capacity of the social partners to participate in this process. In what ways can this response be improved from a practical viewpoint?

This was the issue considered by **Isabel da COSTA**, Research Manager at the CNRS IDHE, with a recent study she carried out for *Europe et Société* and in which she describes the manner in which the crisis has altered social dialogue at both a European and general level, in addition to the various measures which have been

introduced. A survey focusing on international framework agreements and European framework agreements has made it possible to more accurately identify them. Restructuring agreements comprise the majority of European framework agreements. Faced with the sheer scale of the problem, activity at an EU-wide level has accelerated and focused on the consequences for employment. Very often, where internal restructuring is concerned (particularly in small or very small businesses, the importance of which is increasing) we talk about "Silent restructuring".

Identifying the impact of the crisis upon employment in terms of skills in particular, means giving thought to the protection of job types as they exist today within companies. Situations are today very different, and vary from one country to another. We need to place the responses in context, focusing either on a return to normality or better still making it possible to carry out a genuine and comprehensive review of the situation (sustainable development, green jobs, etc).

Finally, although the crisis is a source of acceleration, it has not resulted in greater social dialogue at a Europe-wide level, (where it continues to be scarcely perceptible), but more at a local level. However, where restructuring is concerned, although local key players can launch a review of social dialogue concerning a specific point, the institutional framework remains vital, although this does not determine their capacity to anticipate and act.

AN INVITATION TO THE EUROPEAN COMMISSION TO FULLY INVOLVE ALL KEY PLAYERS

With this in mind, **Fernando VASQUEZ**, Deputy Head of Unit (Directorate General for Employment, Social Affairs and Equal Opportunities, European Commission) has stated that he is favourable to widening the debate, which may result in the future in more determined intervention by the European Union. Looking back over recent years, the key points have been the directives, which for more than 30 years have defined workers' involvement in restructuring processes. The Commission has completed its task and it appears that attempting to go further in bolstering rights and procedures would only result in resistance and hostility from the member states. This does not mean that the

situation is satisfactory. However, the solutions needed to deal with a crisis are to be found not only in national law but also in the dynamism of the social partners as they now possess the means of exercising their rights. And although it is true that management teams do not always do what they are supposed to do, at the same time the employees' representatives do not always fully insist on their rights. Despite this the Commission has nevertheless decided to continue moving forward with a number of new activities:

- Financial activities via The European Social Fund;
- Through an individual reconversion process;

- By boosting internal coordination within the Commission, particularly in the field of transition management, with regard to the social impact or with anticipating the effect upon employment;
- By adopting a practical credo. This includes: anticipation, preparation and the development of partnerships within the company but also at a general level;
- Reinforcing the role of the social partners in order to remedy the current, insufficient state of consultation.

Although as a whole the results may appear ambiguous, we should nevertheless recognise the impressive dynamism and flexibility shown by the unions in the various countries, but also the companies, as they battle to save jobs.

Implicitly, there is also the question of the survival of the welfare state and our social system. What can we do in order to quickly and effectively tackle the problem of mass unemployment? Although we cannot return to the type of industrial relations seen before the crisis, new possibilities are emerging at various levels and covering differing timescales, (in

particular in the transport and energy sectors with the aim of achieving total decarbonisation by the year 2050).

For this reason, the European Commission has firmly stressed the importance it attaches to maintaining a solid European industrial base. The Europeans need to be **creative** while at the same time ensuring compliance with national professional systems for the management of crises within companies. **It is vital that we continue to fully involve the social partners in the responses to be provided to the challenges of European competitiveness and the place of European companies in the global markets.**

In such a context, the question of European cohesion becomes far more acute, as the crisis has highlighted a serious problem in Europe, with the risk of seeing conflicts taking on an increasingly nationalistic dimension. **Although serious issues have been successfully avoided, underlying protectionist tendencies still remain** and it is the responsibility of the member states to ensure that the directives are fully observed. The protection of national systems also requires these systems to evolve.

RESTRUCTURING, KEY PLAYERS AND INNOVATION

Isabella BILETTA, Research Manager at IRWD-Eurofound, is rather less optimistic. Even if people are talking about the impact of the crisis upon the restructuring of the banking and automotive sectors, this was a factor already in play beforehand, for which the high point was seen in 2009. Focusing on the main changes, the question is to identify how to reconcile the impact of the crisis upon unemployment and the health of companies in the 27 member states. Can we talk of a genuine structural problem or is this a one-off occurrence?

Although in 2009 we saw a lower level of strikes (used by workers as a means of applying pressure), the number of demonstrations or other activities increased, particularly in the public sector. Everywhere in Europe, people were taking to the streets. One of the explanations for this lies in the fact that a large number of anti-crisis agreements were accompanied by a failure to carry out negotiations in the companies, (particularly in the manufacturing industries).

What's more, if we consider that the underlying power of collective bargaining is based on that of the social partners, if the human resources are lacking then structural difficulties will obviously be exacerbated.

To conclude: where are the key players? Where are the forces for change?

Frédéric BRUGGEMAN, Associate Director at Amnyos Mutations Économiques highlighted the political will which may exist at a Europe-wide level to go that extra mile in order to approve these practices.

Economic developments and changes are two sides of the same coin: changes in the way production is organised and changes in participants and values represent both threats and opportunities, as the participants need to mobilise a great deal of resources in very little time, resulting in a crisis situation. Restructuring programmes may initially appear as "accidents" after 40 years of stability. The task subsequently becomes one of organising transition, of meeting

new functional requirements, of boosting workforce loyalty and of encouraging mobility while at the same time adopting a forward-looking approach to skills and employability.

Can we seriously imagine that we can spontaneously create this policy by continuing to simply accumulate best practices? Although

anticipation has now become vital, it is also very important to have public policies which lay down a clear, coherent framework, in addition to permanent mechanisms guaranteeing security and help with adaptation both for employees and companies. When we talk about innovation we always tend to consider this from a technical viewpoint. But what about social innovation?

FACED WITH THE CRISIS THE SOCIAL PARTNERS' RESPONSE IS ANYTHING BUT UNIFORM

From a sociological viewpoint **Michel GUERRE**, consultant, stressed that despite the existence of a common European dimension, the negotiation and response process varies from country to country, according to the different cultures, professional relationship management systems, past or previous status quos or the level of social acceptability concerning the impact on salaries, all of which vary according to the different perspectives encountered. Accordingly, on the one hand we see a policy focusing firmly on change and on the other, where social relations are concerned, the impression of being enclosed in a company-specific framework with its own characteristics. However, a good many questions concerning restructuring extend far beyond the company and involve an interaction between social dialogue within the company and inter-sector social dialogue at a European level. In order for the social partners to be fully involved in anticipating changes which are not purely linked to reactions to proposals from their own company, an organised framework is necessary, one which offers a source of continuity and makes it possible to create and adopt relevant approaches and solutions.

Exchanges of best practices or other useful tools are not enough. Although they may be usable during the restructuring phase, priority should instead be placed on fully equipping staff representatives to ensure that they can get involved and subsequently play a useful role. This question is closely related to that of transnational dialogue which, based on diversity, seeks to bring about a convergence of approaches and to guarantee continuity.

Roberto PEDERSINI, Professor in Economic Sociology at the Faculty of Political Sciences of the Università degli Studi di Milano, considered the best means of successfully carrying through reconstruction projects. Over and above its complex nature, it is only in the case of a

downsizing of the workforce that the role of the social partners becomes paramount and generates intensive debate. In this sense, restructuring is considered a natural characteristic of economic life. It is precisely because we are unable to anticipate change that we find ourselves in crisis situations. Is it possible to carry out restructuring without job losses?

Greater regulation appears to be needed in addition to a more drastic worker protection system. This must also be accompanied by a cooperative attitude on the part of the unions.

Trust is the last link in the chain, which contributes to a stable cooperative status quo. Each party must recognise the legitimacy of the other but also its own role and suitability in a given situation. When this is achieved, the social partners can really contribute to building the ethical framework so badly lacking today.

Ilaria SAVOINI, Social Affairs Manager at EuroCommerce, also highlighted the importance of looking ahead and anticipating. How do we ensure that the skills to be found in the European Union are perfectly matched to the needs of the employment market? The commercial sector has witnessed a great deal of change, particularly those related to changes in the demographic aspects, lifestyles and purchasing habits of consumers. Where forward-looking skills management was once achieved by working closely with employees, further building staff loyalty, a constructive implementation is today required, with possible positive consequences for the business sector's image as a whole. The creation of data monitoring groups is needed in order to **assess the need for a specific European body, as a response to the Commission's proposal.**

Trust, but also education are the key factors highlighted by **Emanuela PREITI**, European Social Dialogue Manager at ENEL

EURELECTRIC, in order to deal with challenges in the electricity sector. Indeed, here we find a sector facing a rather paradoxical situation: on the one hand it must deal with the huge increase in the number of intelligent networks and the skills shortages which result from this, and on the other hand a heightened risk of unemployment. All of this is combined with the political uncertainty prevailing in the gas industries, particularly concerning carbon. Against this backdrop, the 'toolkit' made available to employees will involve a national consultation process, which represents a new step forward.

However, in order for interaction to be really effective, it is vital to ensure a firm link between the academic world and the reality facing companies. The European Commission is ready to launch this type of initiative. It is the task of the social partners to play their role in this participatory activity, with a network of experts ready to work on it.

Liisa ARO, Lawyer at the Service Union United PAM, further highlighted the challenges of

cooperation and education which could be improved by the identification of various practices from throughout Europe. In the commercial sector, given the importance of IT, clients will have greater knowledge at their disposal and staff need to be trained in order to complete the new tasks facing them.

Cooperation works well, although we still see too many variants concerning activity levels in the various number states: the legal expert suggests the creation of a huge Europe-wide network comprised of experts, employers, employees, and unions hence the importance of identifying the skills needed for tomorrow. Boosting the educational levels of these employees will enable them to be more versatile and to be better able to meet the needs of a changing labour market.

TESTING TIMES FOR THE EUROPEAN WORKS COUNCILS

Philippe SAINT-AUBIN, Secretary of Alcatel Lucent's European Works Council, feels that employees are aware that they are living in a dangerous world. The company is a protector but it is also lethal. He stresses the cathartic role of negotiation and successful dialogue. Everyone involved reacts according to the local status quo: none of the tactics are better than any other but instead all are situated in their geographical context. The malaise experienced by many employees in the telecommunications industry, (which has recently been the scene of several waves of suicides), points to a major malfunction within the system and a crucial lack of dialogue, an issue which imperatively needs to be resolved. However, the difficulty lies in the fact that the international managers are 'nine-day wonders' and that it is the unions which most of them embody the history of the company. There can therefore be no question of replacing the unions or national councils. Instead the EWCs should draw upon the necessary interdependence of information, which often circulates in an "underground" manner.

Furthermore, when we consider that companies pay a great deal of attention to their corporate image, it is also important to identify those people (particularly in the Human Resources departments) with whom we can successfully work well for the benefit of all.

Antoine DUGO, Secretary of Hymer Cernay's Works Council, recounted the sad case of the restructuring of a small business, with the closure of Hymer France ordered by the Court of Mulhouse on 31/03/2010 following its court-ordered liquidation, despite an increase in turnover last year and an order book full until September 2010.

The secretary criticised the company's lack of social responsibility despite the anticipation shown by the works council, and considered the need for the introduction of genuine obligations to ensure that the opinions of works councils and staff representation bodies (both French and European) become more than simple formalities

for the managers of European groups and companies. As for the notion of joint management, what does "managing together" really mean for the social partners when asked to debate the issue?

In the opinion of **Wolf JÄCKLEIN**, Policy Adviser to the European Metalworkers' Federation, the crisis currently sweeping the automotive sector is older than the financial crisis, with the latter simply further aggravating a pre-existing situation. He expressed regret that anticipation and forward planning are not widely embraced in this industry, which can be accused of adopting a day-to-day, short-term attitude which makes structural changes (over 2 to 3 years) difficult in this sector. The challenge here is a major one, as all of the constraints (particularly environmental constraints and their consequences in employment terms) incumbent upon this sector ensure that in the near future it will experience a serious downturn in activity. The unions need to act. This is a formidable challenge as a complete European industrial sector is in the process of faltering.

Despite this, examples of successful forward planning exist. This was the case during the merger of Sanofi Aventis, as **Françoise PIERRE**, Secretary of the European Works Council, explained. Although this involved a hostile takeover bid in 2004, the union movement had planned ahead sufficiently to allow for the creation of an unusual body involving employees from both sides, given the task of monitoring the information process in order to bridge the gap which existed at that time, giving thought to the nature of the staff representation bodies required, and finally drawing up a European Employment Charter for use during the restructuring process.

However, when in 2007 it attempted to launch discussions concerning the possibility for employees to gain advantages through the creation of a separate European negotiating body, the EWC encountered resistance from the national federations, despite the guarantees accompanying the project, doubtless through suspicion and a fear of losing their acquired advantages. The educational aspects were probably underestimated, but at least this project made it possible to highlight the challenges involved.

HAVING THE COURAGE TO WORK TOGETHER: A NEW APPROACH TO BRINGING IN OUTSIDE EXPERTISE

Preben FOLDERG is the Head of LO Brussels Office. Although in Denmark almost 90% of employees are union members, the unions are also faced with high levels of foreign labour. An employee-focused innovation process has been introduced. This is more flexible in order to ensure that in the event of re-structuring the employee possesses the necessary level of qualification, with the assistance of the company but also of the local authorities who provide financial compensation. In the event of redundancy, the company must financially compensate him according to his length of service, and facilitate access to jobs for him in its subsidiaries. The state may also contribute to the employee's compensation on condition that the latter is actively looking for a job. This is the challenge of "flexicurity"

which is designed to help the employee, (who must also play a key part in his regrading and professional reintegration).

Georg LEUTERT, Secretary of the Ford European Works Council, stressed the importance of a solid internal partnership culture, guaranteeing peaceful industrial relations. He also mentioned the importance of subsidiarity, particularly during the closure of a site, although this still remains a notion which is particularly difficult to implement. In his opinion too, the lack of an industrial policy in Europe will result in major difficulties ahead. The new focus on joint ventures, while at the same time keeping these within the perimeter of European organisations, should allow for networking and the maintenance of links between various companies which are constantly being acquired by one another (and subcontractors).

Although the Swedish model of industrial relations continues to be viewed as a source of

inspiration, the reality of recent years has been rather less harmonious, as shown by the number of crises. This point was discussed by **Per TENGBLAD**, Labour Consultant and Researcher for ATK Sweden, who discussed a social model that has become somewhat jaded and which has had to adapt. Today, the challenges facing trade unions and European Works Councils should encourage us to plan ahead and to forge international or regional networks, and to train up new organisations within the trade unions, particularly by putting a stop to the slide in union membership which is also due to increasing precariousness in the labour market and the atypical manner in which it is developing. On this particular point, the use of consultants and experts makes it possible to provide advice and support for employees on a neutral, non-partisan basis. It is the responsibility of the unions to assess the changes underway, as they possess the necessary "field" knowledge. The European Works Councils should simply be instruments in the service of a genuine decision-making process accompanying this forward planning. It is important to be unbiased and to avoid talking down the company's situation.

Jean LAPEYRE, Responsible of European Affairs at the Syndex representation office in

Brussels, reminded everyone of the advantages and limitations of benchmarking. Although virtuous examples and best practices (each inspired by the other) are today very much in fashion, these are insufficient and require a strengthening of contractual or legislative regulations in order to develop.

Looking ahead also means having the capacity to understand and anticipate. In other words, considering how we can develop genuine Europe-wide expertise contributing to an emancipation of employee representatives from their local representative bodies? Because although we are witnessing a great deal of inequality among the European nations, particularly regarding the legal bases encountered in each country, what sort of European system do the unions actually require today, over and above the existing collaborative initiatives?

All too often, the psychosocial effects of restructuring are underestimated. The company should understand its contribution to the well-being of its employees and organise its work accordingly. This also means anticipating and planning ahead, for the benefit of all.

ENCOURAGING GREATER INTERACTION BETWEEN PUBLIC PARTNERS AND SOCIAL PARTNERS

Although the participants were in agreement when it came to highlighting the extreme variety of approaches arising as a result of local traditions, all stressed that interaction is required between the various levels, not only to anticipate restructuring programmes but also to combat the consequences of the crisis. All underlined the urgent need for the state to intervene in this process.

Jacques FREYSSINET, Chairman of the Research Council of the *Centre d'études de l'emploi* (Centre for Employment Studies), explained that although restructuring processes have played a fundamental role, we cannot really point to any significant institutional innovation put forward by the European countries in this time of crisis, the states having instead tended to favour existing solutions and systems. Among the common factors found in the various Western countries, we should note the move from a short-term 'reaction' phase to a 'preoccupation phase':

- Initially, we have seen the rescue of the financial system and public expenditure programmes focused on sectors experiencing difficulties, combined with the introduction of social buffers in order to reduce the human costs of the crisis, with this problem eventually giving way to positive compromises;
- Spring 2009 saw the end of this phase: although everyone agreed on the need to tackle the emergency, they each focused on their own preoccupations and the terms of the debate seemed to offer little scope for political compromise.

We see significant differences in the manner in which relationships have been forged between the governments and unions in order to manage the impacts of the crisis. Some countries have witnessed a tripartite reaction occurring within an institutionalised framework (i.e., Belgium and the Netherlands), while others have adopted a more flexible approach between a tripartite or

bipartite response, in which civil servants and governments have displayed a high degree of inventiveness as seen in France. Finally, there are examples of countries introducing more flexible cooperation such as Germany and Sweden. We can also see to what extent the institutions are not decisive at this level: tripartite negotiation mechanisms or national institutional and bipartite negotiations have practically disappeared. The negotiation process is now so decentralised that we detect no trace of a common policy aimed at combating the crisis.

Gabriella BETTIOL from the Confindustria Veneto SIAV (Veneto employers' confederation) mentioned the monitoring group for industrial change introduced by her Confederation, which offers the possibility to work each day with around 100 companies. The initial reaction was one of active resistance: innovating while at the same time maintaining the company's human capital. Although certain medium-sized companies were able to relocate their production, seeking to combine flexibility and efficiency, other companies (often family businesses) have had to inject their own financial resources. A high degree of solidarity has been seen, highlighting major shifts in professional attitudes: in this time of crisis, former bosses came back to manage the company. Although the regional public authorities are more likely to intervene today, the Confindustria is keen to assist company managers in the manufacturing sector. In this particular area, the relationship between employers and employees (influenced by the capacity for social innovation) must be maintained as part of a three-way approach with the various participants. We can never stress enough the importance of working on the concept of regeneration and renaissance.

Eszter MARKUS, Chief Counsellor for the Department for the Coordination of Social Dialogue at the Hungarian Prime Minister's office, brought us an example of a somewhat different trades union tradition with a novel approach originating from the central and eastern part of Europe. The crisis is a situation which (from the citizen's viewpoint,) could have been foreseen and managed by the government. We live in a risky society, in which citizens expect protection from all forms of crisis. With this in mind, it is the responsibility of the government to act quickly and to demonstrate a capacity to provide an effective and speedy response. Today, managing public relations messages and regaining the public's trust involves focusing on

new government methods such as electronic web 2.0 democracy which provides a suitable response to these objectives, including for example the online display of redundancies affecting employees.

Paul CULLEN, (Head of Industrial Relations for the Ministry of Enterprise, Business and Employment in Ireland) stressed the importance of protecting the welfare state. In such a situation, it is certainly possible to adapt to cost-based competition but it is also necessary to be realistic too. In Ireland, labour costs are far higher than in Great Britain.

In terms of foreign investments, this represents a major handicap which the state must offset, in particular via state agencies which encourage foreign investors, ensuring that local companies make progress towards achieving greater profitability for the investments made here. Hence the importance of understanding that support for foreign investors also results in regulatory barriers. It is necessary to be able to systematically identify best practices and to know how to apply them. In Ireland, the social partners insist that the state should introduce legislation, and that they should be involved in its drafting.

In Belgium, tripartitism has functioned well although the government has had to take initiatives itself in order to ensure that Belgium is included among those countries with the lowest unemployment differential.

Pierre Paul MAETER, Chairman of the Executive committee of the Federal Public Service, Employment, Labour and Social Dialogue, highlighted two major challenges, these being climatic and demographic. How can we turn these into genuine opportunities in terms of new jobs and staff regrading, making it possible to offset the inevitable job losses to come? Since 2007, the obligation to guarantee the widespread availability of employment units, encouraging the regrading of elderly redundant workers has made it possible to offset the systematic use of early retirement as a tool. The employer is now required to organise an outplacement procedure for those over 45 years of age and the "Generation Pact" has made this procedure compulsory. The structure of this unit is quite usual: it involves the organisation of a partnership between the public employment department which manages it, the regional authorities, the employer and the social partners.

These units have become the key to getting people back to work after mass redundancies.

In Europe, this type of initiative is highly desirable if we are to move from a paradigm of competition between companies to a paradigm of cooperation.

THE CRISIS: REVEALING OR ACCELERATING ECONOMIC AND SOCIAL CHANGES? THE CHALLENGES OF IMPLEMENTING A SUCCESSFUL SKILLS POLICY

Henri ROUILLEAULT, Administrator in the INSEE in charge of employment, addressed the meeting as the former manager of the ANACT (national agency for the improvement of working conditions). As the author of a report into the anticipation of future changes (GPEC) in 2007 and a book on social democracy in 2010, he is also the manager of a study group examining the employment situation and the support provided for employees during transition and for job seekers. He highlights the polysemous nature of economic and social change in Europe. Although the crisis hides a wealth of separate realities, so does the restructuring process, including the challenge of involving employees in change management, the anticipation of change (GPEC), debates on strategy and employment, the development and recognition of skills or mobility.

Forward planning or "anticipation", (another polysemous term), covers sociological and methodological difficulties.

It is vital that we do not confuse changes in the environment and company strategy: the main factor here is not the amount of the cheque but the alternatives and the provision of a solution for everyone in terms of employment. This was the case with Hymer but we should also mention the case of Air France, the major supermarkets yesterday (with RFID chips) or the automotive and pharmaceutical sectors today.

Finally, management also concerns companies, sectors, and regions which do not have the same key players, the same driving factors but which nevertheless have best practices waiting to be circulated. Where social dialogue is concerned, providing information and carrying out consultation is not enough. Good negotiation cannot exist without a prior exchange of information and good consultation does not exist if everything is already decided in advance.

François GINSBOURGER, Manager of the c FD-IDO Office and Associate Researcher at the Centre for Scientific Management at the *École des Mines ParisTech* graduate school), considers that the current crisis and its "silent" aspects (the labour crisis and absence of debate) has had the effect of revealing aspects which we had not seen before. The brutality and personalisation of the conflicts have shown that the sacked workers are looking for someone to blame and are demanding that the losses brought about by the termination of contracts and the corresponding loss of social identity should be more evenly shared. How should we interpret the meaning of these transitions which are due purely to the fact that the labour factor was not taken into account during the crisis. The factory or the company no longer innovates and we learn nothing more from the work carried out there. This is what S. Burger referred to as "functional modularization". Whether in industry or in the public services, it's the same story. Namely, the move from an industrial economy based on standardisation to a service sector economy characterised by continuous innovation, which no longer places the emphasis on products but on the use made of them and the characteristics associated with them.

The organisational paradigm in this change is skill, expressed as a capacity to react to the events occurring and to assume responsibilities, to coordinate oneself, and also to cooperate with others at times when it is necessary to go beyond standard workplace operating methods. Each person's role is not set in stone. Roles are invented as we go along and organisation is constantly changing.

In this ongoing adventure, each person's role is now difficult to define objectively and it is only through real-life observations that we can introduce skills which were previously absent. This is why, when faced with the desperate situation of a workforce which has had no say, the challenge is to guarantee interaction between

what is happening in those sectors suffering decline and those experiencing growth

To ensure that the principle of justice is scrupulously respected in situations of interdependency and to avoid passive, silent deadlocks, it is vital to redefine the participants, to avoid viewing them from a strictly collective standpoint but instead to recognise the skills of each individual involved.

In the opinion of **Joost VAN IERSEL**, Chairman of the European Economic and Social Committee's *Consultative Commission on Industrial Change* (CCIC), this economic crisis was not expected and has further accentuated the need for more intensive and more extensive consultation at a European level. From this point of view, the sector-based consultations should contribute to the deployment of appropriate policies and measures in what has now become an unstable situation. Consequently, the opinions issued by the CCIC are intended to improve the conditions for making investments and injecting fresh life into the labour market. Taking account of the differences in the nature and stages of development of the various sectors, the CCIC recommends the creation of top-level groups for all sectors, to support the decision-making processes of the Committee and the Council. These groups would be comprised of all participants including entrepreneurs, customers or consumers, academics and research centres, professional training or educational institutes, and the social partners. As an example, he mentioned sector-specific technology hubs and sector-based dialogue. From the discussions, the notion of employability often came up, something which is rarely contested as an objective. Hence the focus on training, which will not immediately ease crisis situations in the current state of events, but which was seen by all parties as vital for the future. Finland, (where training constitutes the ultimate political and social priority), is often put forward as an example. Training is a national speciality. Faced with a multifaceted crisis, it is the responsibility of each of the parties concerned to assume their

responsibilities within a commonly defined framework, including: the Commission, the Council, industry, the social partners, education at every level, research centres and universities, in addition to public authorities and others. The CCIC seeks to operate as an intermediary in this process between the various sectors and the European institutions.

Joost VAN IERSEL, then presented an overview of the situation in the Netherlands, where economic stagnation has affected every sector, although it is interesting to note that employment levels have been maintained. In 2009, the unemployment rate was just 4.9%, a level which scarcely exceeds the usual rate and which is one of the lowest in Europe.

As he sees it, two main reasons have contributed to the high level of employment. Firstly, most of the companies have maintained the level of permanent contracts. Employment and flexibility have been encouraged by changes previously introduced in the social security field, innovation and a certain toning down of employment protection, bearing in mind that the government introduced significant financial subsidies in the form of wage support schemes. The second and more striking reason where the Netherlands is concerned is related to the recent and spectacular explosion in the number of self-employed people, employing no one other than themselves, who can today be found at all professional levels. This surge has been doubtless encouraged the heightened use of the Internet and consequently of countless human and e-business networks. These networks reflect the degree of specialisation, changing combinations and expanding value chains, and are now recognised as a unique category at a macro-socio-economic level. This phenomenon confirms that the changes made to the social security system have introduced greater flexibility, that the Dutch have reacted positively to this, displaying a very open mind vis-à-vis these changes. The relatively low level of unemployment (far lower than anticipated) is a positive consequence of this, although the future remains uncertain.

TOWARDS A BRAVE NEW WORLD

For **Jean BOISSONNAT**, journalist, we are not emerging from a crisis but instead entering a Brave New World, with no possibility to return. Two key events amply illustrate this change: the universal exhibition in Shanghai and the Euro

crisis. The speaker took the example of the automotive industry and its exponential growth to show that the growth model which China admits having copied from us cannot be widely extended to the whole of humanity and that this

phenomenon is set to turn the world economy upside down. The crisis experienced by the single currency today shows that a currency without a state can survive for a certain time but that its long-term future is not assured. It is now up to the Europeans to design new forms of state and it is precisely this which represents the challenge for the coming decades. Naturally, two differing assessments of the crisis are possible: We can focus on its destructive effects or instead consider that this constraint requires us to invent solutions and situations which would not otherwise have existed without the crisis. We need to keep in mind that despite the genius and courage of the founding fathers, the great European adventure would doubtless never have been attempted in the first place without the pain of war, the Soviet threat and the support of the United States. Today, in the early 21st century, Europe has no leaders subscribing to this

conviction. However, some difficult choices must now be taken by the Europeans, which will require intensive debate. Will Europe be a laboratory for the rest of the world or will it instead be relegated to the role of a glorified leisure centre for the Japanese or Chinese? Faced with the fundamental role which new technology is set to play over the years to come, including the inter-penetration of industry and services, will we be able to face up to these challenges? The crisis has above all been very revealing for us, particularly by the fact that public opinion is becoming aware that it isn't by locking ourselves in our homes that we will protect ourselves from the crisis and the cold north wind. (For proof of this, just consider for a moment how the crisis in the 1930s turned out). Will this realisation lead to us moving faster? We can certainly hope so, although the speaker so far sees little sign of this happening any time soon.

FURTHER THOUGHT IS REQUIRED

Despite the wide variety of viewpoints expressed during these two days, the conclusion which may be drawn from the event tends to point not so much towards a way out of the crisis but rather to a brave new world, and the implication that we should review our positions here in Europe in view of such a perspective. It clearly appears that the term "reconstruction" covers a whole series of different realities which need to be taken into account according to the localities and participants involved, with information and consultation remaining the basic cornerstones for the construction of genuine European social dialogue.

For **Jacques MOREAU**, a number of major aspects can be identified:

- Successful anticipation makes it possible to avoid being catapulted into situations in which we are unable to exercise our right of appraisal;
- The debate on the notion of expertise has identified a new requirement, i.e. the need to have non-partisan individuals involved, capable of analysing the situation and assisting with decision-making and social dialogue. During the discussions, it became

evident that sector-based social dialogue offers the best means to deal with realities, based on the preparation of projects and concrete compromise solutions;

- The need to reach a compromise all too often makes it necessary for all participants (states, unions, employers' organisations, etc.) to take decisions at a national level. Apart from the European declarations, in reality, acquired benefits need to be protected (when faced with the social partners and faced with the need to reach a compromise). Taking the case of Sanofi Aventis as an example, the presentation by Françoise PIERRE clearly expressed the kind of tensions generated by all collective negotiations in the long road towards the development of European social dialogue. To what extent are the national organisations today ready to give up some of their sovereignty, in order to transfer this to a Europe-wide level?

Here, we are drawing close to the work carried out by *Europe et Société*. These are the issues which we must continue to consider and which will be covered during future events.

<i>FUTURE ACTIVITIES</i>	
<p style="text-align: center;"><u>June 2010</u></p> <p style="text-align: center;"><i>Publication of the Cahiers de la Fondation 75/76 The impact of the information- consultation directive on social dialogue in the member states</i></p> <p style="text-align: center;"><u>October 2010</u></p> <p style="text-align: center;"><i>Publication of the Cahiers de la Fondation 77/78 Social dialogue and restructuring in Europe faced with the crisis: Consequences and results</i></p>	<p style="text-align: center;"><u>October-November 2010</u></p> <p style="text-align: center;"><i>Colloquium organised by Europe et Société with the support of the Commission on the role of the social partners in the creation of conditions favourable to employee mobility in major European companies</i></p> <p style="text-align: center;"><u>During the first half of 2011</u></p> <p style="text-align: center;"><i>The first 25 years of Europe et Société</i></p>

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