

Citizens' summary

EU QUALITY FRAMEWORK FOR RESTRUCTURING

WHAT'S THE ISSUE?

Since 2002, the European Monitoring Centre on Change (EMCC) has registered over 16 000 restructuring operations, with a net job loss of over 2 million. These affect every country in Europe and are a major source of concern in the context of the recession.

Companies undergoing restructuring often react to events, rather than anticipating problems and taking pre-emptive action:

- Workers seldom benefit from advance support measures such as training which would help them find a new job more quickly.
- Workers' representatives are often involved at too late a stage in the decision-making process.
- Management often fails to do enough to involve outside organisations such as regional authorities or does so too late in the day. These organisations could do much to soften the adverse social impact of restructuring.

To enable industry to adapt successfully, while limiting the adverse effects of restructuring, 3 things are needed:

- anticipation
- sound preparation, and
- socially responsible management

The Quality Framework for Restructuring lists the main good practices of all the major players in this field. The Commission calls on them to abide by these good practices, which means doing more to anticipate events and take initiatives at an early stage..

WHO WILL BENEFIT AND HOW?

If it is implemented, the Quality Framework for Restructuring will help make businesses more competitive in the long run, facilitate employment transitions and help workers who are made redundant to find a new job as quickly as possible.

Regions affected by restructuring will find guidance on how to take the initiative, soften the economic and social impact of restructuring and revitalise the regional economy successfully.

WHY DOES ACTION HAVE TO BE TAKEN BY THE EU?

Corporate restructuring often reflects developments affecting more than one EU Member State, such as the recent financial crisis, drops in consumer demand, and heightened competition from other economies.

Although restructuring is primarily a matter for companies, their workers and the regions affected, a European Quality Framework for Restructuring will disseminate and promote the best national practices EU-wide. The guidance it provides will thereby complement national, regional or local action.

WHAT EXACTLY WILL CHANGE?

The initiative will promote forward thinking by those involved in restructuring and encourage socially responsible management in such processes. This may help avoid conflict and, in some cases, crisis situations.

More forward thinking would

- make companies more competitive, and
- help workers make more informed choices, enabling them to change jobs more easily.

WHEN IS THE PROPOSAL LIKELY TO COME INTO EFFECT?

The Commission calls on companies, workers' representatives, the two sides of industry and regional and national authorities to start applying the good practices outlined in the Quality Framework for Restructuring at the earliest opportunity.

In 2016 it will review the extent to which they are making use of the Quality Framework and will then decide whether it needs to take stronger action.