



ORGANISING TRANSITIONS IN RESPONSE TO RESTRUCTURING

Study on instruments and schemes of job and professional transition and re-conversion at national, sectoral or regional level in the EU

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Executive Summary

This study on “Organising Transitions” which was carried out between August and November 2009 for the European Commission, DG Employment, Social Affairs and Equal Opportunities presents a first and comprehensive stock-taking analysis of schemes, instruments and mechanisms of support for workers affected by restructuring which have been set up in parallel to and complementing the typical support mechanisms of public employment services (PES). The study that has been elaborated by a multinational team of researchers covers nearly all EU member states and has analysed 27 single measures.

Background and objectives of the study

Already before the global financial and economic crisis the dynamics of restructuring have resulted in a growing variety of activities at different levels supplementing as well as improving “traditional” public employment services (PES) by more suitable instruments focusing in particular the employability of workers and/or the effectiveness of re-conversion and re-deployment. Also flexicurity as a guiding principle of European and national labour market policy reforms has contributed to change in

employment policies and public employment services in many European countries.¹

While in the past such measures often displayed a rather “passive” character (e.g. such as early-retirement, “golden handshakes”, i.e. severance payment packages and voluntary redundancies) learning processes both in the context of previous local and sectoral crisis situations as well as learning from good and innovative practice throughout Europe has resulted in the development of more pro-active measures and schemes of re-conversion and job transition today often are connected to occupational re-orientation, training and qualification as well as outplacement.

While this seems to be a common trend throughout the EU, there is a significant variety of country specific backgrounds and experiences, depending very much on the respective traditions and frameworks of welfare state rationales and industrial relations. In Nordic Countries such as Sweden for example, restructuring processes at the company level already since the 1970s are accompanied by measures in support of professional reorganization and transition. In countries with a high share of part-time work and fixed-term employment con-

¹ See “The role of Public Employment Services related to ‘Flexicurity’ in the European Labour Markets”, Report for DG Employment, Social Affairs and Equal Opportunities, March 2009.

tracts such as the Netherlands or Belgium, there is a strong tradition of outplacement support measures. Outplacement, job transition as well as occupational and professional re-conversion also have become an important field of labour market policy in countries such as France, Austria or Germany in the context of structural change in manufacturing or restructuring in public services since the 1990s.

Though active measures of occupational and professional transition and re-conversion in Southern Europe and the new EU member states in Central and Eastern Europe have been less important in the past, this has changed in recent years against structural changes in the context of globalization (e.g. on textile and other manufacturing sectors) also.

Classifying existing schemes and mechanisms

The study covers a wide variety of different economic and social national contexts and the 27 instruments and schemes identified as relevant accordingly show significant differences with regard to legal sources, types of support measures, scope, co-financing by enterprises or the status of workers. However, if the notion of “transition” with regard to professional orientation and employment is taken into account, there are three major groups or clusters of schemes identifiable:

A *first group of mechanisms and schemes* which proactively seek to organize “transitional labour markets”, job transition, reemployment and outplacement, often in the context of dealing with redundancies in the context of restructuring. This could be company based, sector/region based or even covering – at least by nature – a whole country.

Overview and Classification of measures for improving professional and job transition

Type	Characteristics	Schemes, funds, mechanisms
Focus transition, outplacement and reemployment	<ul style="list-style-type: none"> • Either temporarily (in the case of restructuring or continuously) focusing on supporting and actively shaping “transitional labour markets” • Social partners and collective agreements at national, sector or company level playing a key role in designing and implementing measures • Often co-financing and clear obligations of employers in restructuring situations foreseen 	<ul style="list-style-type: none"> • DK: Flexicurity operational model • SE: Job Security Councils • FI: Change Security operational model • FR: Occupational transition contracts (CTP) • FR: Mobility Leave • NL: Mobility Centres • BE: Outplacement and Employment Cells • LU: Job Retention Plan • DE: Transfer Companies • AT: Labour Foundations • IT: Wage Guarantee Funds
Focus training and skills	<ul style="list-style-type: none"> • Based on the idea of professional/occupational mobility and very much orientated towards the individual jobseeker and effective professional transition • In the context of larger restructuring/globalization also targeting those workers who are threatened by unemployment • Often state- or social partners driven approaches 	<ul style="list-style-type: none"> • ES: Occupational Observatories • NL: Sectoral Training Funds • DK: Competence Development Fund • IT: Sectoral Training Fund • IE: Skillsnet Scheme • PL: Enterprise Training Fund • RO: Enterprise Training Fund • BG: Training vouchers scheme • LV: Training and re-training programme
Focus efficiency of systems	<ul style="list-style-type: none"> • Improving the capacity of PES to organize response to restructuring situations more efficiently • Often driven by PES itself • CEEC: important role of European Funds 	<ul style="list-style-type: none"> • UK: Rapid Response Service Teams • PT: Integrated Intervention Offices • EL: Strengthening the efficiency of PES • CY: Individualized Public Employment Service • SK: Employing the disadvantaged jobseeker • EE: Reacting to Mass Redundancies • LT: Mini Labour Exchange

Secondly, there is a type of mechanisms, schemes, programmes and funds which are not focussing on actively implementing and organising transitions but rather improving the capacity for job and professional transition by training, i.e. the capacity of workers as well as unemployed persons to find a new job. Also here, there are sectoral as well as company based and national approaches, mechanisms and initiatives.

Thirdly, there is a group of measures and schemes presented in this report which are mainly aiming at improving the efficiency of systems and their institutions (in particular the PES). The objective here is either to better support professional and job transition or to improve the efficiency of dealing with restructuring and mass redundancies in general.

Results of a comparative evaluation

The in-depth analysis of the schemes and instruments has revealed an impressive plurality of mechanisms existing throughout the European Union: There are mature mechanisms, funds and instruments existing already for decades, rather recent ones and a large group of mechanisms which have been subsequently adjusted and reformed according to new challenges and framework conditions (e.g. the current economic crisis). In fact, the picture of practice and systems in a constant state of flux seems to be a significant result of our study – only few mechanisms remained unchanged over a longer period of time.

Our survey also shows that **no common path** exists with regard to inventing, organising and funding employment and professional transition in response to restructuring. Instead, the 27 schemes presented in this study display specific national framework conditions of both labour policy and industrial relations, in particular the state of social dialogue and partnership. If any underlying “driving factor” for certain types and models of transfer regimes should be identified, then it’s the conditions of social dialogue and labour relations: The main structural factors, e.g. organising of collective bargaining at various levels, role of social partners in labour market policy, tradition of co-determination and employee participation seem to be an important factor of influence for certain kinds and types of transfer practice. This is particularly illustrated by the sectoral initiatives and funds on skills and training which exist in various countries. It is quite obvious that most of the schemes and programmes presented in our study would simply not exist and would not be able to be run efficiently without **active social partner involvement** at all levels.

A major result of the survey is that there is a **common objective** which is shared also by national key actors: Throughout the EU there is a common trend of acknowledging transition as a major challenge of labour market policy in today’s context. In times of globalisation and accelerated change in every part of our economy and society an efficient system in place of organising professional and job transfer seems to be crucial. Here, our survey shows that this challenge is felt not only in the well-known cases of labour market innovation in Northern and Continental Europe but also in countries which normally are not quoted in this context.

A further important result of the study is the fact that both sides of the industry are **sharing responsibilities** both in terms of co-financing (e.g. employers pay fees, employee resign from severance payments rights) as well as in terms of active involvement in the organisation and management of mechanisms and instruments. In the majority of examples analysed this also implies certain **obligations of the restructuring company**, in terms of following certain procedures, financial contributions and/or other duties. However, only few schemes analysed in the study display a clear “mutualisation of risks” that is, co-financing job and professional transition practice or company based outplacement services on a permanent basis.

Conclusions and recommendations

Though the study presents – for the first time – a comprehensive overview and in-depth analyses of schemes and mechanisms supporting job and professional transition processes in the context of restructuring, the analysis – carried out in a relatively short period of time – leaves open some major questions and also raises issues for further activities.

From the point of view of the authors in particular two follow-up activities would be very valuable:

First, the issues of “costs and efficiency” in order to assess the success and effects of a

scheme/mechanism/fund should be studied more thoroughly. Though the study presents on a case by case basis existing financial figures and major results of evaluations (if they exist), our knowledge here is limited.

A *second* – and even more important - issue for follow-up activities would be to organize an exchange of experience and information of actors directly involved in the schemes and mechanisms presented in this study in order to identify current trends, increase our knowledge and draw conclusions from the EU level point of view.