

# **ANTICIPATING and MANAGING RESTRUCTURING: 27 NATIONAL SEMINARS**

## **VC/0667/08**

### **NATIONAL SEMINAR'S MINUTES**

#### **ROMANIA**

#### **Introduction**

These minutes are intended to provide a summary of the proceedings and results of the National Seminar on Restructuring for Romania which took place in Bucharest on 11-12 May 2010. The purpose of these minutes is to highlight the key findings and the main debates during the one day seminar on anticipating and managing restructuring. These minutes are supporting documentation, which should be read in conjunction with the final published version of the Romanian National Background Paper, whose author is Dr. Constantin Ciutacu.

#### **1. Background**

Under a service contract issued by the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission, the International Training Centre of the International Labour Organization (ITCILO) is organizing a series of national seminars on restructuring in each of the 27 member states of the European Union.

The National Seminar in Romania was the 23<sup>rd</sup> seminar in this series and aimed to present and discuss the most important measures and tools used for anticipating and managing restructuring in Romania, particularly their effectiveness and potential transferability.

A Romanian National Background Paper (NBP) on Restructuring was written for the seminar by an independent national expert, Dr Constantin Ciutacu.

This NBP was prepared for the purposes of identifying and describing the existing measures and tools for restructuring at the national and regional levels in Romania, as well as highlighting interesting company practices and case studies.

The NBP was presented at the seminar as a draft report and discussed by a high level, tripartite group of participants from government, workers and employers' organizations plus researchers, academics and enterprise managers.

After the seminar the NBP was finalised ready for publication on the ARENAS website (<http://arenas.itcilo.org>).

The seminar was conducted in Romanian with simultaneous interpretation into English.

#### **2. Participants**

Participation at the Romanian National Seminar on Restructuring was by invitation.

The ITCILO, after consulting with the European Commission, the national expert and other interested parties, sent invitations to a list of representatives from the government, the national employers' organizations and the national trade unions, as well as academic researchers on restructuring practices in Romania.

Representatives from business associations covering specific sectors were also invited, along with managers of enterprises that had been chosen as case studies for discussion at the seminar.

The selection of the invited participants took into consideration the need for ensuring a high level of representation, including knowledgeable and appropriate representatives from government and the social partners.

The Dublin-based European Foundation for the Improvement of Living and Working Conditions (Eurofound) was invited to send an observer. Two officials from the DG Employment, Social Affairs and Equal Opportunities of the European Commission also took part in the seminar.

**No. 55 participants** (see final list of participants attached) attended the seminar coming from the following Organizations/Institutions:

- Government (**no 15**);
- Trade Unions (**no. 17**);
- Employers' Organizations (**no.9**);
- Enterprises (**no.3**);
- Research Institutes/others: . (**no. 11**)

Representatives from the DG EMPL(**no.2**), Eurofound (**no. 1**), have joined the seminar.

#### **4. Activities carried out**

The National Seminar has developed contents and methods according to the model design of the Agenda .

The first part of the seminars was focused on:

1. the presentation of the EU main policies and programmes on restructuring,
2. the introduction of the overall aims of the project and the objectives of the National seminar.

##### **4.1 Results of NBP presentation**

After the opening session, the key finding issues coming from the NBP were presented by the National expert.

In particular, the presentation has highlighted the main characteristics of the Romanian economy and labour market, with a focus on the effects of the current crisis.

Privatization of big companies in last decade. and political and economic transition with small restructuring cases occurred in Romania. The economic dimension is prevailing in comparison with the innovative dimension.

Regarding the transformation of the economic and occupational system, recent data and indicators were presented.

Code labour has involved all stakeholders and it works effectively. Law on collective bargaining is in force. Social Partners are fully involved. During the period of economic growth the perception of restructuring is related to the notion of collective dismissal. Public Employment Services in Romania have started to provide assistance for finding jobs abroad and migration flows are increasing.

During the crisis the economic growth seems not to be sustainable. Job insecurity is coming back. In terms of statistics, restructuring can be highlighted with some indicators, GDP is decreasing impressively starting from January 2010. In 2008-2009 period there was a very high growth , unique at European level. In 1989 197.000 companies were existing out of which 190.000 in services sector.

In 2007 500.000 companies were existing. The size of companies is small and the issue is related to the management of restructuring in SMEs'. Different employment rate in Regions: East

region is the poorest areas with highest unemployment rate, with a massive migration of young people. Early retirement measure has been adopted with a beneficial impact for Government and Employers with a lack of balance between employees and retired people. There are some unbalanced situations for example unemployment benefit in Romania is the lowest one comparing to EU countries.

Anticipation notion is not well known in Romania at political and technical level. With respect to prediction of forecasting Romania is not benefiting from this approach. At national level a monitoring system on creation of jobs (individual cases of job creation of job losses) is not available. There are some instruments that can support this analysis. A part Eurostat and ERM there are not statistics available on restructuring at national level. There are some institutional progress for anticipating, preparing and managing restructuring. Vocational training, financial support are example of measures for anticipating change. In 2007 50% of companies have organized training.

During the second day was briefly described the managing restructuring process (phase, procedures, role of social partners, including main challenges).

A State intervention in the past was activated for introducing innovation and upgrading skills. This measure was applied till 1999. Until 2004 were provided State aids. After 2004 decision regarding State aids were endorsed by the EC.

There are two main measures: unemployment benefit and stimulus for job creation.

For stimulating employment there is a range of measures: information, counselling, training, career development, entrepreneurship development. Additional services can be provided, for example transport in case of mobility . These measures are mainly addressing unemployed people and then employers for hiring workers.

The regulation concerning collective dismissal is focused on the need to inform and consult in time trade unions.

Severance pay is the main tool in case of collective dismissal.

How to influence the market? How the involve actors in this process?

There few success stories in Romania, but they are very important and can be an example of experience transferable in other sectors. There are many crisis but it is important to be well prepared for changes that are unavoidable.

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All the presentations delivered by the National Expert and testimonials from companies can be downloaded from the website of the project in the Country section – Romania [www.itcilo/arenas/org](http://www.itcilo/arenas/org)

## 3.2 Debate

According to the need of stimulating the discussion among the participants on the effectiveness and utility of the existing measures/tools a mix of approaches and methods was applied. In particular, the participatory sessions were structured into 4 main consequent steps:

- a) debate on specific topics,
- b) open discussion,
- c) brainstorming session
- d) group work sessions (no. 2)
- e) assessment of effectiveness and transferability of the referred measures and tools .

### 3.2.1. Round table session (first day)

The first debate was facilitated during the Round Table session with the aim to discuss more in depth the following issue : TO WHAT EXTENT EXISTING MEASURES AND TOOLS ARE SUFFICIENT AND USEFUL TO ANTICIPATE RESTRUCTURING IN THE CURRENT ECONOMIC CRISIS ?

The panel discussion was organized in a first debate around 4 key questions outlined by ITC-ILO and proposed by the moderator: The debate was subsequently followed by the active participation of all the attendants to the discussion on the effectiveness of the existing measures for anticipating restructuring.

The main results of this first panel discussion run on the basis the opinions expressed by the speakers on the following key questions, are summarized below:

- Continuous Vocational Training system might be a means for adapting skills and competencies and maintaining employability in the labour market: what are the main strengths and weaknesses of this measure, despite generous provisions of extensive periods of short-time working used for continued vocational training at only such a small extent?

.This is an active measure to increase employability. It is very useful for preparing transition from a job to another one. It is very flexible. There are sectoral committees for analyzing training need for further training. These committees ensure collection of information from labour market. They participate in the elaboration of legal framework for setting up qualification system for validating standard at national level and policies for continuous training programmes. There are several programmes for the implementation funded by ESF in 4 sectors. Training programmes are in implementation on 12 professional profiles. It is important to have access to ESF training programmes. The concern is related to the need to find out the co funded quota. It is important to receive proper and in time information from the labour market for better designing training offer. Academies offer training to workers and also to unemployed people. There are many obstacles, for example in poorest areas in finding employers co funding during the crisis. What are the skills needed in these areas?. For example in tourism sector there many training offers but it is not easy to link the training with the labour market demand.

Vocational training is not the only one tool for anticipate restructuring. The situation in Romania is very far from other tools for predicting new changes and challenges. In case of crisis the capacity to anticipate is limited. Eco tourism is an opportunity to develop job opportunities. There are drawbacks, for example the financial stability of companies and banks are asking more information and liabilities to companies. It is embarrassing to ask co funding in poorest areas. The system is losing well skilled workers. Vocational training is indeed a very useful measure for anticipating. There is the social component in restructuring in addition to the economic and technological one. The EU social model is stressing on the social dimension of restructuring. Member States have the responsibility to manage the social measures for salaries, social protection and the funds available.

There are some leverage at national level in the crisis management for example training. There is probably a connection between wages and training.: trade unions are trying to offer better working and living conditions. The sectoral Committees analysis shows that only 30% of their activities is working effectively. There is a lack of human qualified workers for managing these surveys.

- Industrial relations can be an instrument for anticipating change?

In terms of anticipating change, Industrial Relations can represent a chance. For dealing with social effects. Both partners in social dialogue mechanism can play an effective role. Regarding the most efficient form of collaboration, at bipartite level I can be successful. . If there are signals from a sector that they are triggering on how to stay in the market, IR is very useful for revising legislation in a certain domain. Sometimes it is over regulated. The concept of better regulation at EU level suggests to improve legal framework. Car building sector and hiron sector are suffering a lot in the last period.

During the crisis, the discussion promoted by social partners on active measures that should be put in place is not linked to the Government answer and support.

In Romania there is not an Action plan for facing the crisis. . There is not a transparent framework at Multinationals level. There is a good legislation in place in coherence with EU directive. The Economic and Social Council the Government is not on board as requested. Trade unions and Employers are suffering the worst effect of the crisis. At company level the situation is different: relations with Trade unions is very effective, with trust, reliability. At macro level, the situation is different. Industrial relations can help at company level, at macro level it can improve the institutional and administrative framework.

There are not infrastructure skills for new jobs, educational programmes upgraded for preparing work force for the labour market request. Energy sector is the backbone but without any specific strategy for improving and increasing the productivity. There is a lack of modernization of institutions, policies, programme. . Demographic change is another challenge not taken under control. Regional consortia are set up for ESF projects, but is is necessary strenghten the capacity to anilize training needs/implementing. Partnerships also need to be enhanced.

Partnership are very useful.

- R&D, public/private investments, partnership with Universities, can be an instrument for stimulating innovation and consequently job creation. What are the main strong and weak points in the experience of your country?

It is necessary to know in advance changes for designing new measures.

- Incentives for stimulating hiring unemployed or Incentives to stimulate employment ?
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People are granted for six months, incentives should be granted for a longer period to employers. It is necessary to design active measure instead of creating new jobs that will be new unemployed in the future. It is better to focus on measures for maintaining people in the job.

It is important to re start business opportunities.

There are not consistent national policies for investments for less qualified workers.

**Round table no. 1**

<b>Strengths</b>	<b>Weaknesses</b>
Training can be an important tool for anticipating change and for benefiting from Structural funds	Lack of data on skills needs
Good legislation in coherence with EU directives	Institutional framework limit
At company level the relations with Trade Unions are effective and based on trust.	SMEs' support on analysis of qualification requested.
	Low co funding capacity in ESF projects Building partnership and capitalizing experience can be an useful tool
	Demographic change is not taken into consideration
	Lack of communication between social partners and public authorities.
	Limited investment in private sector in innovation.
	Vocational training is not the solution, the solution is to identify future needs and challenges.
	It is very hard to anticipate new skills for the future.
	Regional development policies need to be strengthened ERDF EGAA should be more used.

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.Lack of programmes for preparing work force to Labour Market requests.
Lack of modernization of Institutions, policies,programmes

### 3.2.2 GROUP WORK Session. (first day)

The objective of the Group work session was to obtain information on the selected measures and tools described briefly in the National Background paper, in order to reach a common understanding and consensus on their efficient and positive effect for anticipating or managing restructuring and mitigating the social impact.

For reaching this objective, a number of selected **case studies** was briefly introduced as an example of experimented measures and tools –also at company level –

The participants were divided into small groups. Materials and information concerning the case studies selected (fact sheets, PPT presentation, testimonials from companies) summing up the basic data available on the experience presented were illustrated, as well as the instructions for managing the discussion within the Group.

The specific questions were proposed to each Group in order to better understanding the objective of the discussion and to define the context of the analysis to be carried out:

The results of this session are summarized in the following table:

Case study	Success factors	Main problems	Key conditions for transferability
<p><b>IMSAT</b></p> <p>Till 2008 the company has continuing growing also at international level.. Construction building sector.</p> <p>1500 workers</p> <p>Market: industry, transport, services.</p> <p>Lack of capitalization in 1990s'.the main problem was to survive.</p> <p>Strategies: decentralization, internationalization, development of partnership, increasing of capital, specialized services development, partnership with University for training and</p>	<ul style="list-style-type: none"> <li>▪.Flexibility</li> <li>▪Adaptability</li> <li>▪innovation</li> <li>▪.Reciprocal Trust and trade unions strong support.</li> <li>▪ Capacity to set up partnership</li> <li>▪Good specialization of workforce.</li> <li>▪Efficiency, transparency and decision making process internally.</li> <li>▪Externally openness for establishing partnership, business lines.</li> <li>▪Open and fair social partnership.</li> </ul>	<ul style="list-style-type: none"> <li>▪.Lack of proper legislation on holdings,</li> <li>▪Management performance</li> <li>▪Lack of involvement of partnership.</li> <li>▪Improper projection of needs market.</li> <li>▪Instability in legislation</li> <li>• Lack of adequate legislation (trading company, holding,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduction of bureaucracy</li> <li>▪Legislation adapted to the real domestic market.</li> <li>1990s' there was not a portfolio of clients: funding availability and guarantee.</li> </ul>

<p>advisory services. A specialized department was set up. Efforts done for preventing lay offs during the crisis. Upgrading skills, competencies. Vertical integration: Permanent restructuring through improving workforce capacity. New projects, in the solar panel sector. Energy domain is important.</p>	<ul style="list-style-type: none"> <li>▪ Fair Communication between company trade unions workers</li> <li>▪ Adaptability and flexibility</li> <li>▪ Specialization capacity, business focusing</li> </ul> <p>Association in partnership with State Property Fund and own the majority of capital (50%) using/valuing the human resources availabilities at the moment in time 1990 (highly-skilled personnel) Decentralisation and responsibility increasing on performances' criteria Efficiency and operative decision-making Transparency and internal performances of communication The quality of management and managers' professionalism Adaptability to changes; flexibility; Intuition, courage, brand, niche</p> <p>Open and fair social partnership; communication between social partners.</p>	<p>management performance), partnership in the public-private area, legislative volatility</p> <ul style="list-style-type: none"> <li>• Lack of public-private partnership involvement</li> <li>• Increased bureaucracy</li> <li>• Difficult and high-costs crediting</li> <li>• Absence of medium- and long-term strategies</li> <li>• Inadequate anticipation for the market</li> <li>• The crisis</li> </ul> <p><b>3.Precondition for potential transferability:</b></p> <p>Bureaucracy diminishment Transparency and various facilities Legislation adjusted to actual needs of economy Increasing adjustability of companies to the domestic and international market Portfolio</p> <p>A financing system of performance.</p>	
<p><b>Zoppas Sâmnicolau Mare</b></p> <p>Contribution to local development in partnership with the local authorities and training institutions.</p> <p>In 2008 number of workers grew. State support for continuing business.</p> <p>Re training workers was developed.</p> <p>Career development centre set up.</p> <p>Very active in regional development. Two hotels built up</p>	<ul style="list-style-type: none"> <li>• Integration of vulnerable group.</li> <li>• Support provided by local authorities,</li> <li>• Fiscal facilities</li> <li>• Pool for creating new skills in the area.</li> <li>• Qualification system developed..</li> <li>• Initiatives fro new investors.</li> <li>• Availability of market for selling products.</li> <li>• Promotion of own brand;</li> </ul>	<ul style="list-style-type: none"> <li>• decision making risk</li> <li>• Training</li> <li>• Adaptability for new qualification.</li> <li>• Difficulties to match labour market needs.</li> <li>• data always not clear.</li> <li>• The heterogeneous training level; the risk of adjustment to new jobs; the requirement of retraining personnel for the</li> </ul>	<p>Communication and dissemination of experience</p> <ul style="list-style-type: none"> <li>• Reliable partnership</li> <li>• Adaptability and availability for reconversion.</li> <li>• Respect and compliance with EU directives</li> </ul>



<p>for increasing tourism sector, plus transport infrastructure. Economic development and social inclusion. Good communication.</p>	<ul style="list-style-type: none"> <li>• Integration of social dimension</li> <li>• Capacity to shifting production.</li> <li>• Responsible decision making and management</li> <li>• Promotion of PPP partnership</li> <li>• Skills development in connection with technologies.</li> <li>• Favourable geographical setting</li> <li>• Ensuring own labour force; existence of cheap labour force and the opportunity of vocational retraining</li> <li>• Access to new technologies; promoting own brand by investments in learning</li> <li>• Right estimation of the market; the existence of contracts on external markets (outlet)</li> <li>• Support from the local public authority: land, fiscal facilities</li> <li>• Creating a recruitment basis for skilled labour force by means of partnerships with schools and universities</li> <li>• Prospective capacity and analysing the change of the object of activity for the company: responsibility in assuming the decisions</li> <li>• Integrating the local social component in the project</li> </ul>	<p>new specialisations</p> <ul style="list-style-type: none"> <li>• Decisional risk</li> <li>• Successful partnership risk</li> <li>• The recession imposed personnel cut offs by 10%</li> <li>• Labour force deficit (2008)</li> <li>• Additional costs related to transport</li> <li>• 3. Precondition for potential transferability: Communication and dissemination of the ZOPPAS Industries experience: responsible restructuring and change management</li> <li>• Realising partnerships built on trust between investor, local authority and educational institutions</li> <li>• Adaptability and availability for labour force retraining</li> <li>• Working within the framework of EU directives and regulations (relevant standards)</li> <li>• Initiative</li> <li>• Existence of outlet market</li> <li>• Existence of financial resources</li> <li>•</li> </ul>	
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### 3.2.3 Second day Round Table session.

The second day the Round Table session aimed to discuss more in depth the following issue: MANAGING RESTRUCTURING IN ROMANIA: LESSONS LEARNT FROM THE PAST EXPERIENCE AND FUTURE PERSPECTIVES

The panel discussion was organized in a first debate around five key questions proposed by the moderator and subsequently followed by the active participation of all the attendants. The main results of this first debate are summarized as follows:

- **Social protection measures**

Training programmes can be a useful tool to mitigate the effects of restructuring processes. There is a National Council for Adult training responsible for taking decisions about training programmes. Certification of qualification is set up on the basis of occupational national standards. The Council is also responsible for validation of standards. Training providers are assessed and certified. There is a system based on credits, in line with the EC credit system. A level of harmonization of training has been reached. Level of participation is only 2%. Employers are used to deliver training into companies on the basis of individual plans. But there is no obligation of reporting for employers and this is the reason why the level of participation is too low, because the Government can report to the EC only the training courses done by training agencies.

In multinational and private companies training is delivered for developing individual competencies but certificates are not recognized at national level. There is a problem of recognition in Romania.

There are statistics available. Structural changes in the labour market occurred during the accession period. Some surveys were carried out on the evolution of the occupation in Romania. Occupational and vocational training standards were main issues. Some occupations changed drastically, due to economic transition and new products and services. In particular the IT sector has influenced new occupations. Flexible employment changes have been introduced. Surveys were also carried out on new skills and new jobs. Hotel, restaurant, energy are new sectors for which it is important to invest in modernization of skills.

Vocational training programmes for 2009 include some requests expressed by employers. It is recommended to increase the amount of funding for active measures. Green jobs competencies are also necessary. The level of participation in training is a controversial issue. Another problem is due to the lack of response in time of the training service in relation to employers' specific needs. It is necessary to enhance quality training assessment.

Mining sector is facing a very serious problem due to lack of information, communication and strategy. So far there are no alternatives. There is a Working Group in the Ministry of Labour for drawing up a strategy.

- **Managing redundancies measures during the crisis**

It is a CSR responsibility. In 2009 within the same holding group the Trade Unions were informed that due to the current recession there will be an effect in the retail sector with layoffs. After negotiation and discussion a restructuring plan was designed with voluntary leave measures.

The management was requested to propose another plan, in addition to severance pay. The board has appreciated the Trade Union plan concerning the voluntary leave. Another company of the same group didn't inform the trade union about layoffs with different consequences for workers. It means that CSR is a very important tool for overcoming crisis and mitigating negative social effects.

- In the current economic and financial crisis to what extent the role of collective bargaining change?

The system is unbalanced. Trade unions are well structured (no. 5 federations). Social dialogue can not be confused with negotiation with Government.

In banking sector the information is more achievable. It allows to create a good partnership. Freedom of negotiation for new and better conditions is essential. Labour code has to be reformed in order to give more flexibility to negotiate specific conditions for social partners. Social dialogue is completely missing in some sectors.

- Early retirement measure

It is not a measure for solving crisis it is only a social tool. Average age for pension is 53 years. It represent an action in terms of criteria for selecting people for lay offs. It is necessary to limit early retirement until the new law on pension scheme.

There are 2 economy: budgetary economy and state / private economy. Pension represent less than 75 % of revenue. Therefore, early retirement represents only a very short term measure.

- Severance pay

This measure can destroy social cohesion.

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During the debate opened to all the participants the following Strengths and Weaknesses have been raised with regard to the main topics discussed during the second panel discussion:

**Round table no. 2**

<u>Strengths</u>	<u>Weaknesses</u>
Level of harmonization of training reached	.Social dialogue is still missing in some sectors
Survey carried out on new jobs	No obligation for Employers to report on training done
Some experiences on CSR in retail sector	Lack of recognition of qualification at national level
	Labour code needs to be reformed for introducing more flexibility in negotiation for social partners

### 3.2.4 GROUP WORK session (second day)

During the second day two case studies were analysed. Their results of the Group work session are the following:

Case study	Success factors	Main problems	Key conditions for the success/transferability
<p><b>Construction sector.</b> Social builder house. Three years negotiation for having a law for a fund on social builder house. There is own management. The budget 30.000 per year.</p> <p>Every year there is a report. The management structure is based on trade union and employers representatives. It is a social agreement. CRS principle is promoted in a wider spectrum.</p>	<ul style="list-style-type: none"> <li>• It is a model of good practice.</li> <li>• Winter time allowance for workers is considered very useful.               <ul style="list-style-type: none"> <li>▪ labour force migration</li> <li>▪ seasonal character (winter)</li> <li>▪ Social actors' willingness and liability (FGS, ARACO)</li> <li>▪ Lobby at national level</li> </ul> </li> <li>• Social Pact/Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Funds at the beginning insufficient</li> <li>• Initially not full trust.               <ul style="list-style-type: none"> <li>▪ Insufficient initial capital</li> <li>▪ Distrust (social actors/employers' organisations)</li> <li>▪ Lack of initial political support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Seasonal workers in winter time</li> <li>• TU and employer strong lobby at national level.</li> <li>• Skilled workforce.</li> <li>• Existence of skilled labour force</li> <li>• Existence of market (demand)</li> <li>• Pioneering (single body of its kind in Romania).</li> </ul>
<p><b>Dacia Group</b> Economic development plan. Strategic restructuring: low cost car production for East countries.</p> <p>Measures for mitigating social effects were put in place namely job creation. A Pact in 2001 was signed between 5 major actors: national agency for employment, trade unions, Management of Dacia, Department regional, prefecture</p>	<ul style="list-style-type: none"> <li>• Solidarity</li> <li>• Transfer of the experience in other regions.</li> <li>• Support service for helping people to find new jobs</li> <li>• Re skilling services</li> <li>• Micro enterprises and SMEs'</li> <li>• Tourism and agritourism</li> <li>• Regional centre for training set up.</li> <li>• Over 2000 worker found a new job.</li> <li>• Communication</li> <li>• Cooperation and</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative instability</li> <li>• Fiscal pressure</li> <li>• Lack of competencies</li> <li>• Lack of mobility</li> <li>• Insufficient funds for boosting mobility</li> <li>• Lack of market</li> <li>• Constraints for quality management and EU requirements.</li> <li>• legislative volatility</li> <li>• excessive fiscal pressure</li> <li>• lack of meta competencies</li> </ul>	<ul style="list-style-type: none"> <li>• access EU funds</li> <li>• Reducing administrative burden.</li> <li>• Market analysis.</li> <li>• Professional training.</li> <li>• ESF funds accessing</li> <li>• Stimulating mobility by developing competencies</li> <li>• Diminishing administrative tasks</li> <li>• Market analyses and studies</li> </ul>

	<p>good partnership</p> <ul style="list-style-type: none"> <li>•Support form Government for active measures.</li> </ul> <p>a) specialised labour force: CVT for specific competencies and skills</p> <p>b) expertise and organisational structure</p> <p>c) historical collaboration</p> <p>d) active support from the state authorities;</p> <p>e) good cooperation between social partners</p>	<p>development</p> <ul style="list-style-type: none"> <li>•Reluctance towards (domestic intra- and inter-sectoral) employment mobility</li> <li>•Insufficient stimulus for internal labour force mobility</li> <li>•Lack of outlet markets</li> <li>•Constraints in assuring quality according to standards imposed on the EU market</li> <li>•</li> </ul>	
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### 3.3 Brainstorming session: lesson learnt and good practice

At the end of the seminar the last brainstorming session was focused on the identification of at least one Good practice and one lesson learnt among the measures/tools and case studies discussed during the seminar. The aim of this session was to bring together additional information and to compare the results of the last session with the main conclusions came out after the debate during the round table session.

The results included in the following boxes reveals that the comments and questions raised during the debate are confirmed by the final brainstorming exercise. In fact, collective effective Social Dialogue agreement is considered a key factor for successful restructuring, while the need to set up an efficient system for anticipating restructuring is considered a priority.

#### Good Practice

- More partnership, lower taxes and more relaxed legislation. Ex: Dacia –Renault, Construction case and IMSAT
- Bad practices in Romania after '89: mining and energy industries; defence and textile
- Dacia-because of the strategic approach , involvement in the territorial development and reduction of the restructuring negative impact
- Involvement of all actors
- Zoppas because of the good partner's communication, adaptability to new occupational standards, good risk management
- Dacia because of the good collaboration between stakeholders
- International economic cooperation; technology transfer including social implications; social dialogue

- Dacia; Michelin; Petrom-OMV
- Social responsibility
- Dacia
- SASEC (construction sector), self-regulation system within the construction sector
- Open communication with the employees
- Social agreement
- Williness of social actors as well as political willness to support restructuring through social measures agreed at the negotiation table.
- To use all social programs financially supported by government and EU (FSE) or other donors. Each donor has his/her own interest! Finding the most appropriate forms and models in order to reduce social impact of restructuring for each specific case with his particularities. Doesn't exist a social model applicable to each case, but the models must be adapted to each specific case. Ask specialists in anticipation and dissemination. Restructuring causes stress, mainly when you are aged. Dismissals have to be done with responsibility and social protection measures.
- Investment in training
- Good collaboration between social partners
- Support offered by the local authorities
- After '89 a good capitalisation of human resources potential offered to companies a high success. After EU integration, Romania became attractive because of the stability, and foreign companies prepared them development in Romania
- Dacia: complex approach with new technology, financial and human based component. There were involved the social partners
- Involvement of all stakeholders (Gvrnt, employers as well as workers)
- To try to meet work force offer with labour market demand
- Retraining and reduction of unemployment especially long term one
- A performing management focused on objectives
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### Lessons Learnt

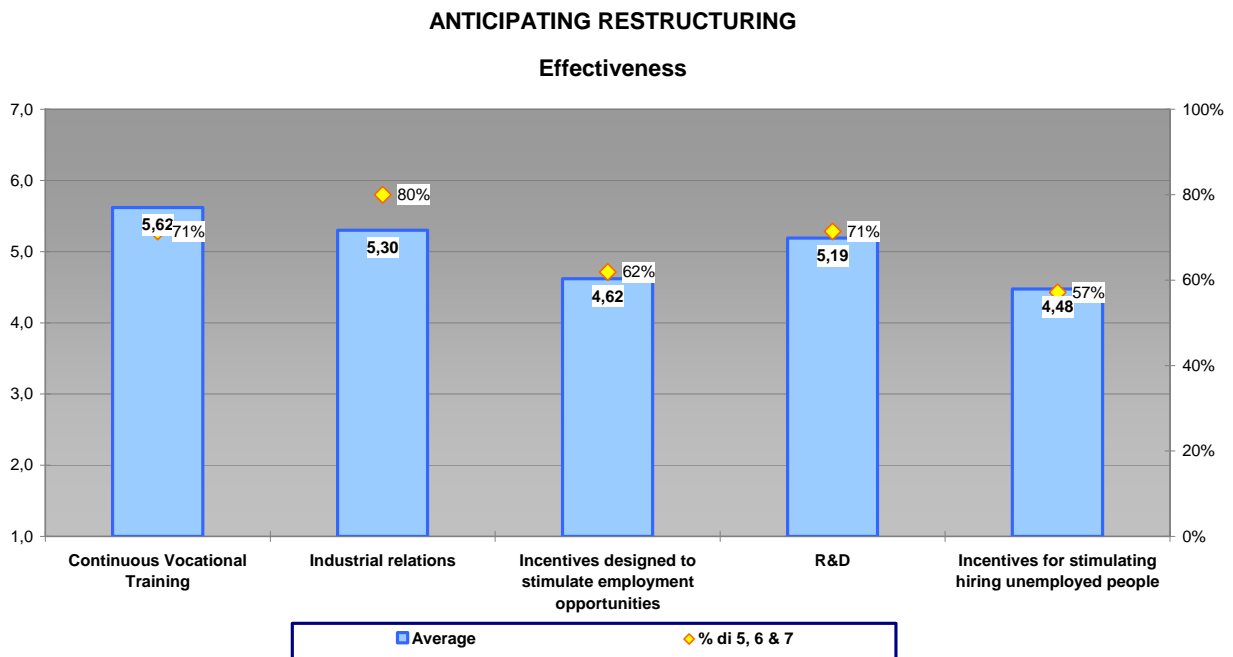
- The restructuring process has to be done taking into account a constructive dialogue between the stakeholders with a lower impact on the interested parties/workers
- Less unemployment benefits and less early retirements because causes budgetary pressure.
- Common strategies designed by the social partners and authorities represent one of the most efficient instruments for anticipating and management of restructuring
- Due to the lack of development of new market products entire regions suffer a high percentage of unemployment. Lack of national strategies. Lack of communication between TU and Employers.
- Support and active involvement of the authorities
- Active anticipation of restructuring in the private sector
- Involvement and the effort put in can reduce the social effects of the restructuring
- Privatisation of public companies has not always been done according to the rules
- Social dialogue
- Communication
- SA SEC-the dialogue between social partners led to the success
- Williness of the social partners to assume responsibility(1) solve the sectoral problems (2) to assist construction sector with related services (3)
- Common interest of the stakeholders
- Partnership at different levels for developing strategies for short and long term
- Financial performance of employers is very important when the restructuring in knocking on door! The employer can pay for specialist to advise what best to do. Any of the restructuring measures: dismissals (collective or not, at request or not), early retirement, unemployment benefits are not solutions for restructuring! Globalisation brings us to a big history paradox. The modern man enters in a labyrinth. This makes him vulnerable! Who knows, who could tell him the right direction!
- To emphasise the social dimension of restructuring
- A constructive dialogue, that brings to a common end

- Long term vision
- I think that the Romanian society (as well as the national context) was not prepared to all changes of the recent 20 years. But without dialogue between partners the success is unsure.
- Management of human resources is extremely important
- Must be given primordial importance to the social component being the most affected by restructuring
- More funds for information, counselling, mediation and training

### 3.4 Evaluation session on effectiveness and transferability of measures/tools for Anticipating – Managing Restructuring

The aim of this exercise was to identify the priority themes according to the effectiveness and transferability criteria concerning the measures and tools discussed during the seminar.

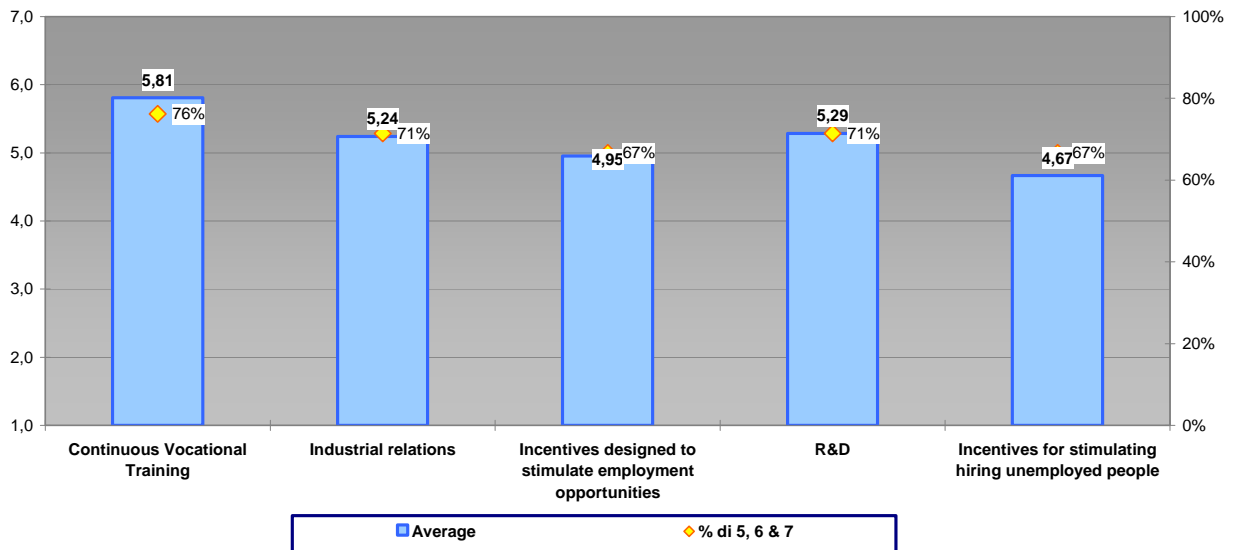
The graphs<sup>1</sup> show that among the Anticipation measures/tools the most effective one is “Industrial Relations”, while the “Continuous Vocational Training” is considered the tool with an high level of transferability.



<sup>1</sup> The graph quotes the scores related to the media average (blue colour) of each measure assessed and the placement of each measure expressed in percentage with reference to higher (5,6,7) points (yellow colour).

## ANTICIPATING RESTRUCTURING

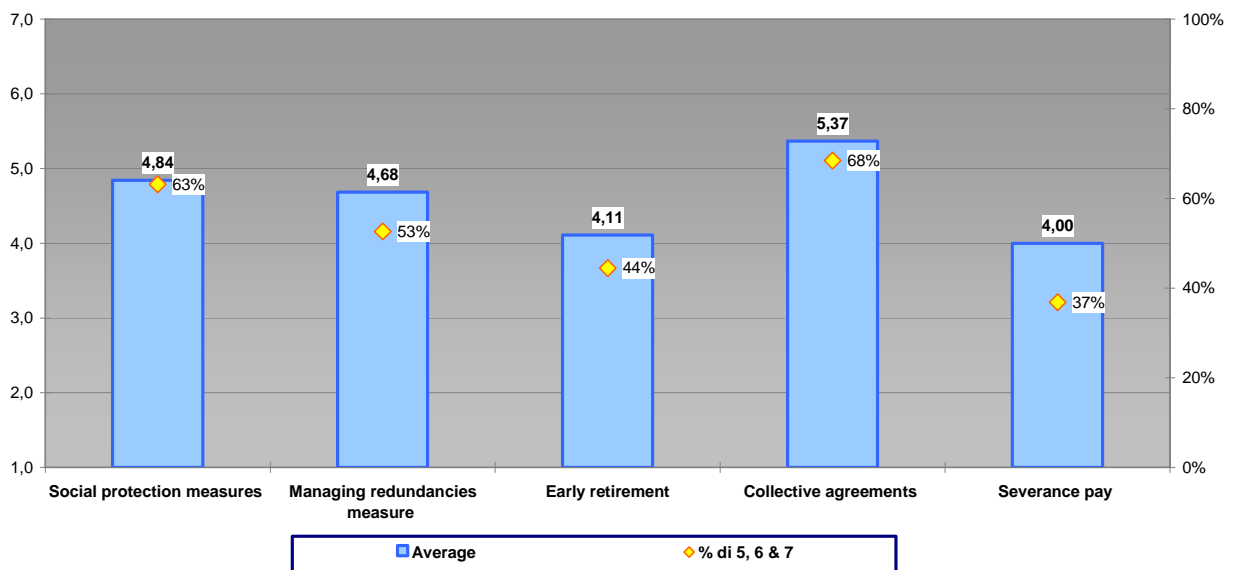
### Transferability



Regarding Managing of restructuring the graphs show that the most effective measure is the “Collective agreements” that is also considered the tool with an high level of transferability .

## MANAGING RESTRUCTURING

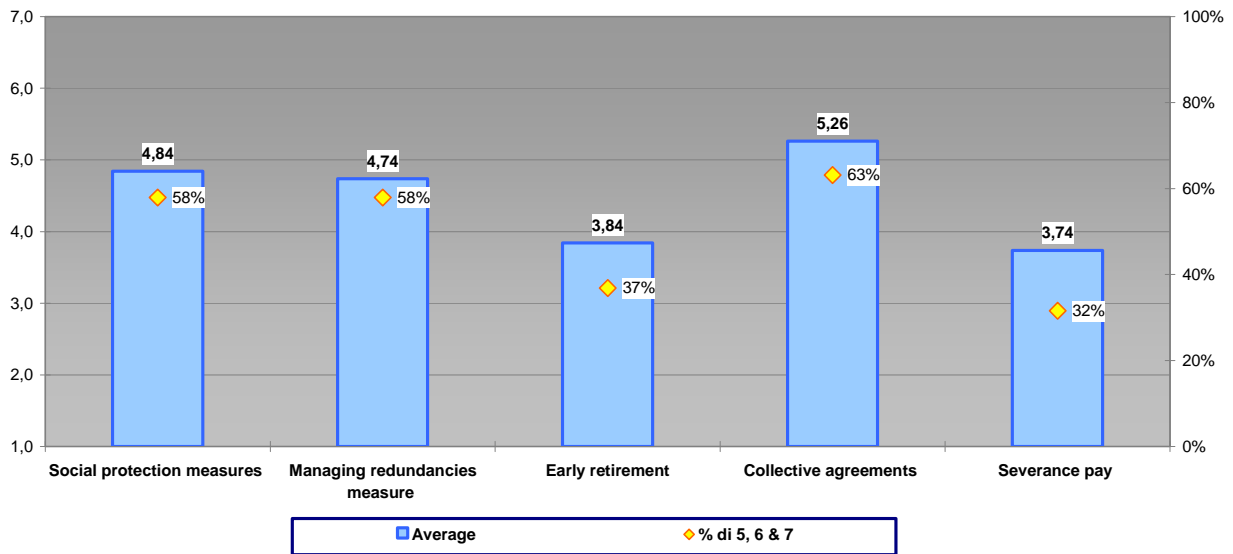
### Effectiveness





## MANAGING RESTRUCTURING

### Transferability



This exercise has allowed to highlight the main conclusions of the debate with an high level of homogeneity in the main opinions and comments expressed by the participants

## 4. Conclusions of the debate

The two-day seminar has highlighted in principle that the Romanian system is mainly focused on Management of Restructuring.

It is possible to sum up the current system as follows:

- Restructuring is a component that has required personal efforts for a large share of the population and of the labour force of Romania, and is one of the characteristics of other East-European countries as well.
- Vocational training and readjustment through formal schooling, as an active measure of social reinsertion and vocational conversion has provided little coverage, because the rate of employment opportunity generation was much lower than the rate of demand for jobs.
- Under the circumstances, some of the solutions resorted to were early retirement, severance pay, including for those who volunteered for redundancy, the return to subsistence farming and, over the past decade (since 2000), emigration to other labour markets in the European Economic Area.
- Another peculiarity of Romania is that, during the first stage of the transition period, anticipation and management of the restructuring processes were instruments used primarily by the state as major employer and by the newly established trade unions.
- The large number of employer organisations of national importance, compared to only 1 to maximum 3 such employer organisations in most of the other member states, has an effect on the social dialogue and on reaching national consensus on various matters.

- The fragmentation of employer organisations may influence the quality of the strategic attempt to implement anticipation and management of restructuring, both in respect of certain economic sectors, and in respect of certain geographic areas, regions, or counties.
- **anticipation of restructuring** revealed the consensus of the social partners on the need for an anticipatory approach of change, and on the functions this can play, and expressed their readiness and willingness to get involved actively starting from the current stage.
- **Social dialogue**, consultations and partnership with the stakeholders are perceived as critical for the management of the social and economic effects of restructuring. The case studies discussed reflect the efficacy and positive role of the cooperation between social partners in the course of the restructuring processes.
- The legal and institutional framework to accomplish this is in place, but social partners have certain reservations regarding the manner in which the Government is implementing some of the measures agreed upon during the dialogue between employers and employees, and, in the first place, the anti-crisis measures, and the transparency of its decisions (very often the social partners' members to the CES are faced with an accomplished fact, without prior consultations on some of the legislative initiatives, regulations or strategies proposed by the Government).
- **Adult vocational training** is viewed as an instrument with a high potential to mitigate the social effects of restructuring.

## 5. Main Results

The National Seminar has contributed to the capitalization and systematization of the knowledge and practice on Restructuring in Romania with a particular focus on the potentiality of Adult vocational training measure.

From the organizational/methodological side the following key elements came out:

1. key aspects of the Restructuring schemes in Romania were put in evidence.
2. strengths and weaknesses of specific measures were analyzed as well as four case studies.
3. a synthesis on key concepts on Anticipation, Social dialogue approach, Territorial partnership was carried out
4. Suggestions were highlighted on :
  - the future role of the territorial dimension,
  - the need to improve the capacity to respond to the need of vulnerable workers threatened by redundancy.
  - the need to better coordinate the different actors
5. Main challenges were highlighted: demographic change, Training for accompanying change.

From the technical side the Seminar has offered the opportunity for:

1. Shared knowledge on the main experiences in Romania.
2. Better understanding of the notion of Anticipation

3. Shared opinion on the relevance and effectiveness of the role of the Social Dialogue in Romania.

Finally, with reference to the Evaluation results based on the questionnaires filled in by the participants at the end of the Seminar the average of 4,38 was reached. The comparison with the ITC-ILO's activities benchmark of the participants' satisfaction [4, 26%] reveals a good satisfaction of the overall activity .