



ILO Programme on Socially Sensitive Enterprise Restructuring (ILO/SSER)



Economic and social dimensions of restructuring – what are we calling for?

To RESTRUCTURE in a sensitive way, taking into account as much as possible all stakeholders' concerns, in particular those by the **workers** and the **management**, without forgetting the final aim of restructuring, which is =

Improved enterprise competitiveness
and even enterprise survival.



Our message is based on the ILS concerning restructuring – not compliance, but rather a signal from the social actors on what is right and what is wrong

- ✓ Termination of Employment convention and recommendation, 1982 (No. 158 and No. 166)
- ✓ ILS on Non-Discrimination, etc.



Note: Restructuring is not always downsizing (3 “levels” of restructuring)

- Without cutting labour costs (portfolio restructuring, capital mobility, etc.)
- Cutting labour costs, but no layoffs (management accepting pay cuts, etc.)
- Downsizing, but in a **socially sensitive way** (i.e. using a number of suggested tools aimed at helping displaced workers and “survivors”)



If downsizing is necessary, it can be carried out in a socially sensitive way

1. Voluntary redundancies
2. Internal job search help
3. External job search help
4. SME creation help
5. Mobility
6. Early retirement
7. Vocational training
8. Part time job and other AWS
9. Sub-contracted workers
10. Flexible leave
11. Psychological help
12. Severance packages



Research findings: downsizing often leads to

- Lower profits, productivity and quality
- Higher absenteeism and turnover
- Industrial disputes and even social unrest



However: companies do not operate in vacuum – re-employment policies!

- Success of any restructuring effort depends on the support from the government, local authorities, social partners
- Re-employment policies – roles of governments, employers and workers organizations



The main « intervention » areas:

- Policies aimed at anticipation of restructuring (including policies related to long-term workforce planning and training; giving “priorities” to certain industries, etc.)
- Social dialogue
- Legislation and regulations
- Crisis response policies



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INTRODUCTION TO THE OBJECTIVES OF THE SLOVENIAN NATIONAL SEMINAR

Ljubljana, 16 March 2010



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AIMS OF THE NATIONAL SEMINAR

- Exchange of views and perspectives on national framework on Restructuring
- Cataloguing lessons learnt and systemizing knowledge and practices on restructuring in your country
- Knowledge sharing
- Identifying inputs to the EU Synthesis Report



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EXPECTED RESULTS

- Shared knowledge on Anticipation and Management of Restructuring
- Lessons learnt and good practices
- Observations on the “state of the art” for Restructuring and the transferability of good practices between EU countries.



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ORGANIZATION OF THE SEMINAR

- Presentation of key findings of the NBP
- Starting the debate on the effectiveness of restructuring practices in your country in the context of the current economic crisis.
- Analysis and discussion of relevant case studies: their impact and transferability to other contexts



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SELECTION OF THE INVITED PARTICIPANTS

- High level participation to ensure efficient and profitable discussion as the main challenge.
- A tripartite approach rooted in social dialogue
- Practical experiences of restructuring



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Methodology

- A combination of presentations, panel discussions, and working group discussions.
- Facilitator will stimulate debate, discussion and experience sharing.
- Outcomes of the national debate will provide inputs for the EU Synthesis Report on lessons learnt on restructuring.