

### National Seminars on Restructuring

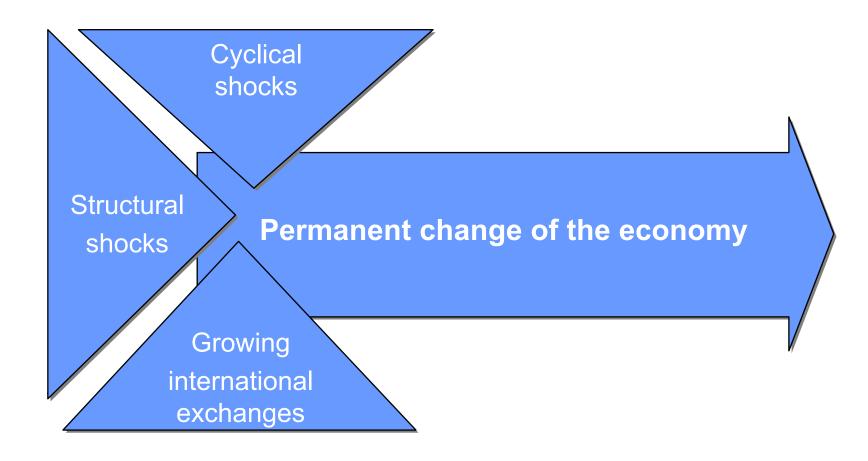
20-21 May 2010 Finland

European Commission - Directorate-General for Employment, Social Affairs and Equal Opportunities



### **OBJECTIVE**





→ Restructuring is part of a changing economy



### CONSEQUENCES OF RESTRUCTURING



#### **HUMAN COST**

**FEAR OF CHANGE** 

Impact on:

Workers (vulnerable)

Suppliers (SMEs)

Local economy

**Unemployment?** 

Wage reduction?

Lack of possibilities

Risk aversion

### Responsible restructuring



### PHILOSOPHY - ESSENTIAL ELEMENTS



- Anticipation
- Prepare and accompany restructuring when unavoidable
- Minimise social costs
- Support partnerships (social partners)
- Action at different levels
- Reconcile security for workers with flexibility needed by companies



### STRATEGY BASED ON 3 DOMAINS



Anticipation — Preparation — Management

Develop and stimulate anticipative actions

Exchange good practices

Assist restructuring processes



### **ANTICIPATION**



Develop proactive actions: Strategic management of human resources and skills



Different levels of anticipation: company, sector, region, national, European



Collaboration of different actors needed: companies, workers, social partners, public authorities and services



Need trust, dialogue, transparency, partnership, time, knowledge, commitment,...



### ANTICIPATION - SECTORAL STUDIES



### Future skills needs and emerging competences in 18 economic sectors

### **Objectives**

- Identify emerging competences and future skills needs
- Sector level
- Foresight methodology
- Provide recommendations to stakeholders
- Collaborate with a maximum of partners
- Element of « New Skills for New Jobs » initiative

### Reports available on Europa website:

http://ec.europa.eu/social/main.jsp?catId=784&langId=en



### ANTICIPATION - FOLLOW-UP





- Basis for future actions by other actors
- Transversal analysis of skills needs across 18 sectors
- Restructuring Forum: Sectors' New Skills for New Jobs organised on 7&8 Dec 2009 together with EP, EESC and CoR. More info on:

http://ec.europa.eu/social/main.jsp?catId=782&langId=en&eventsId=209&furt herEvents=yes

 Analysis of transferable competences across economic sectors and their importance for employment: 2010



### ANTICIPATION - SKILLS COUNCILS



### Sectoral councils on employment and skills

- Objective: reinforce cooperation at European level on the anticipation of skills needs
- Sectoral approach.
- Feasibility study to review existing « councils » in OECD countries and develop options for the format of councils
- Possible option: platform of exchange of good practices in sectors where stakeholders interested
- Results expected end November 2009



### ANTICIPATION -AUTO PARTNERSHIP



#### European partnership for the anticipation of change in the automotive sector

Collaboration

**Innovation** 

State of play

**Trust** 

**Opportunity** 

Mediumlong term

- Subscribed by Com and European sector organisations
- Roles and responsibilities and commitment of partners
- Work programme implemented
- Trust, dialogue, partnership, commitment
- Opportunity to reflect on social responsible restructuring
- Anticipative approach towards a sustainable industry
- Weblink to official document:

http://www.anticipationofchange.eu/fileadmin/anticipation/Logos/ EU partnership en.pdf

### PREPARATION - TRAINING GUIDE SMES



#### **Guide for training in SMEs**

#### **Objectives**

- Help SMEs to prepare, implement and manage training
- Provide comprehensive and systematic overview
- Practical solutions to problems and obstacles SMEs typically face

#### Content

- SME internal barriers and obstacles for training;
- methods and techniques of training;
- current and structural challenges of competence development
- Cases of good practices in training and skills adaptation
- Study available under:

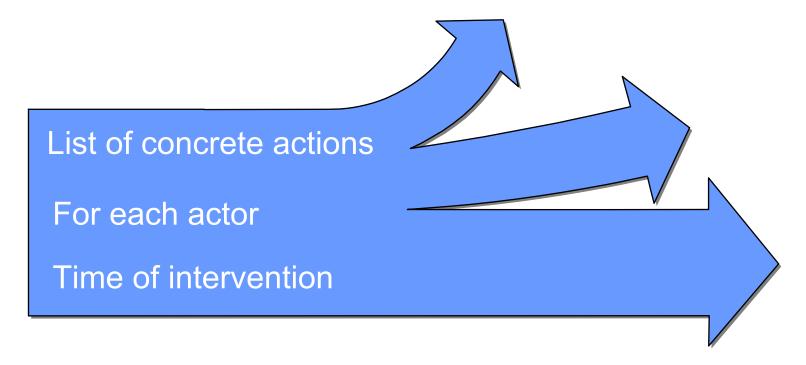
http://ec.europa.eu/social/main.jsp?langId=en&catId=782&newsId=544&further News=yes



### **MANAGEMENT - CHECKLISTS**



### **Checklists on Restructuring Processes**



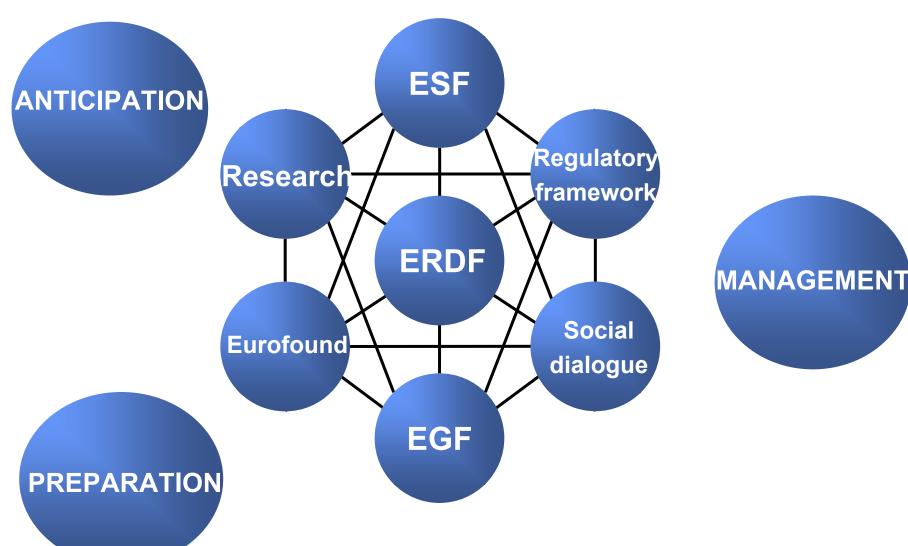
#### Checklist available at:

http://ec.europa.eu/social/main.jsp?catId=782&langId=en&moreDocuments=yes



### OTHER EC INTRUMENTS









### European Globalisation Adjustment Fund 📴



- Tool to support workers affected by impact of globalisation or the current economic and financial crisis
- Objective: to keep workers in employment or help them back into work
- Financing of activities to improve the skills and employability of workers
- Instrument made more flexible in current situation

More info at: http://ec.europa.eu/egf



### OTHER EC ACTIVITIES



### 27 National seminars on restructuring

- Restructuring report
  - > Aim: Dissemination of information
  - ≥ 2008 European policies

http://ec.europa.eu/social/main.jsp?catId=782&langId=en&pubId=2 43&type=2&furtherPubs=yes

- Restructuring Task-Force
  - ➤ Internal coordination of Community policies
  - ➤ Better evaluation of the social impact of Community policies



### RESTRUCTURING FORUM



- Objective: platform of exchange and discussion between participants
- Inaugural session June 2005; 9 sessions so far
- Themes: sectoral actions, regions, anticipation, SMEs, automotive, transnational agreements, ESF, defence
- 2009:
  - climate change;
  - Restructuring management and toolkit: 12 & 13 Nov 2009 (tbc)
  - Sectors' New Skills for New jobs 7&8 Dec 2009
- 2010:
  - Private equity, hedge and sovereign funds
  - conclusions of the 27 national seminars
  - Health aspects of restructuring





### Thank you for your attention!

http://ec.europa.eu/restructuringandjobs





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

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

To <u>RESTRUCTURE</u> in a <u>sensitive way</u>, taking into account as much as possible all <u>stakeholders'</u> <u>concerns</u>, in particular those by the <u>workers</u> and the <u>management</u>, without forgetting the <u>final</u> <u>aim</u> 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





A.R.E.NA.S - VC/2008/0667



## INTRODUCTION TO THE OBJECTIVES OF THE FINLAND NATIONAL SEMINAR

Helsinki, 20 and 21 May 2010





European Commission
Employment, Social Affair and Equal opportunities

A.R.E.NA.S - VC/2008/0667

### 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





European Commission
Employment, Social Affair and Equal opportunities

A.R.E.NA.S - VC/2008/0667

### **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.





European Commission
Employment, Social Affair and Equal opportunities

A.R.E.NA.S - VC/2008/0667

### 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





European Commission
Employment, Social Affair and Equal opportunities

A.R.E.NA.S - VC/2008/0667

### 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





European Commission
Employment, Social Affair and Equal opportunities

A.R.E.NA.S - VC/2008/0667

### 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.

