

Role of trade unions in protecting jobs during restructuring in Europe

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Relocation > restructuring - jobs

- When developing trade union strategies to save workplaces, the following factors play a role:
- `relocation` - `restructuring` - collective bargaining – workers participation
- The major way to preserve high quality workplaces in the long run: upgrading activities through specialisation and higher value added – workers involvement (not just I/C has a great potential in this)
- But who is paying the transition costs:
- Employees? (as mostly the practice)
- Enterprises – through efforts made to push innovation, training and investments (responsibility of enterprises)
- Public sources (active labour market policies, flexicurity)

Labour market tools and CB for safeguarding employment during the crisis

Current context in the crisis: to diminish the employment impact of the recession for a temporary period, in contrast to:

Dealing with employment impact of restructuring (relocation) at times of expanding global production networks (where location competition was the relevant factor)

At the same time, Labour Law and the basic elements of the labour market policy instruments existed before (were only adjusted now)

These provide further on the background of dealing with lay-offs (EPL, regulation of mass dismissals, social plans)

Collective agreements have a supporting function to exploit internal flexibility of enterprises to avoid dismissals (WT accounts supplementary negotiated elements to LM policy)

Managing change and protecting workplaces

- company level
 - productivity improvements through upgrading of skills and work organisation and through innovation and R&D
- sectoral and national levels
 - industrial policy strategy
 - generalised support for research and innovation
 - specific sectoral policies, (e.g. renewable sources of energy, clean technologies, environmental friendly transport)
 - Downside: emergence of `protectionism`, `economic nationalism`
- Labour market policies
 - Flexicurity – basic principle: support change instead of preserving status quo; high external numerical flexibility + high level of security during LM transition + support retraining
 - Conflict: high LM spending (up to 5% of GDP) is not always feasible; negative side of flexicurity is immediate, but the positive side is more `elusive`

Right of workers at actual relocation/ downscaling

- *advance notification*
 - Permits workers to adjust, workers' representatives to negotiate solutions and public employment service to assist adjustment
- a right to *re-adjustment support* for every retrenched worker
 - European-level globalisation fund
 - Use of EU structural funds
 - National policies
 - Sectoral initiatives by social partners
- Defend unemployment benefits and employment protection legislation, but stimulate change
 - Offer security
 - Promote mobility
 - Facilitate good job matches

Building networks of international solidarity

- strengthen information and consultation rights
 - EWCs key role, good practice cases GM European Employee Forum (beyond EWC)
- *Intensify efforts to coordinate collective bargaining*
 - Doorn
 - EMF
 - ETUC, etc.
- Capacity building of TU-s in the NMS and globally
- Strengthening social dialogue especially on branch level in CEE
- Framework for minimum social and labour standards in Europe,
- ILO standards globally with monitoring, codes of conducts, international framework agreements, CSR

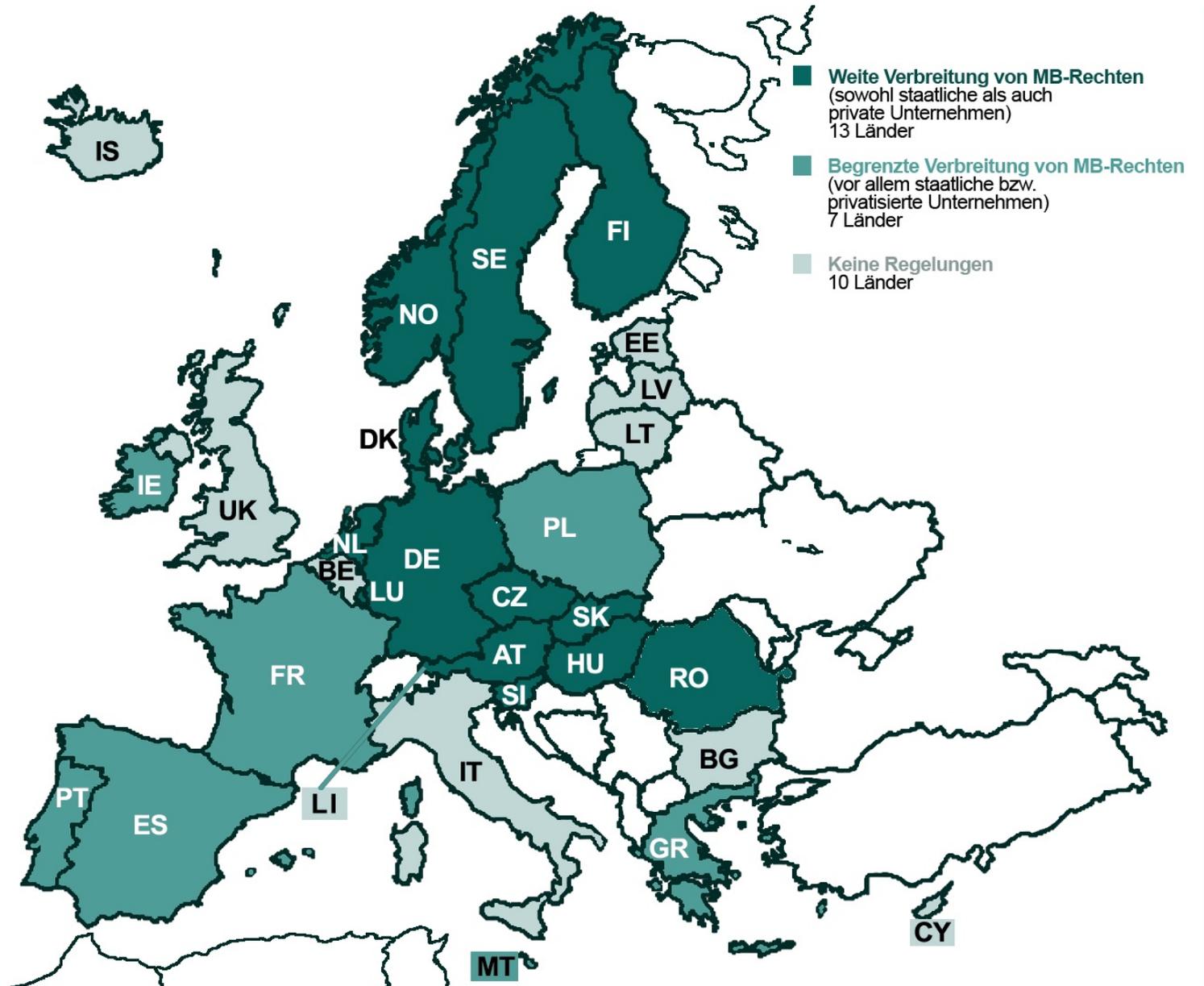
Restructuring

- From a labour market point of view, restructuring may be defined as :
 - – “directly or indirectly imposed non routine changes in individuals’ jobs,
 - job purposes or job locations, usually involving job losses or the risk of
 - job losses.’
 - – Process that is both a management process at company level and part of
 - a bigger change process at sectoral or macroeconomic level
 - Why is it so hard to properly managed restructuring?
 - – Redundancy is the worse context to organise transition

Role of trade unions in managing restructuring

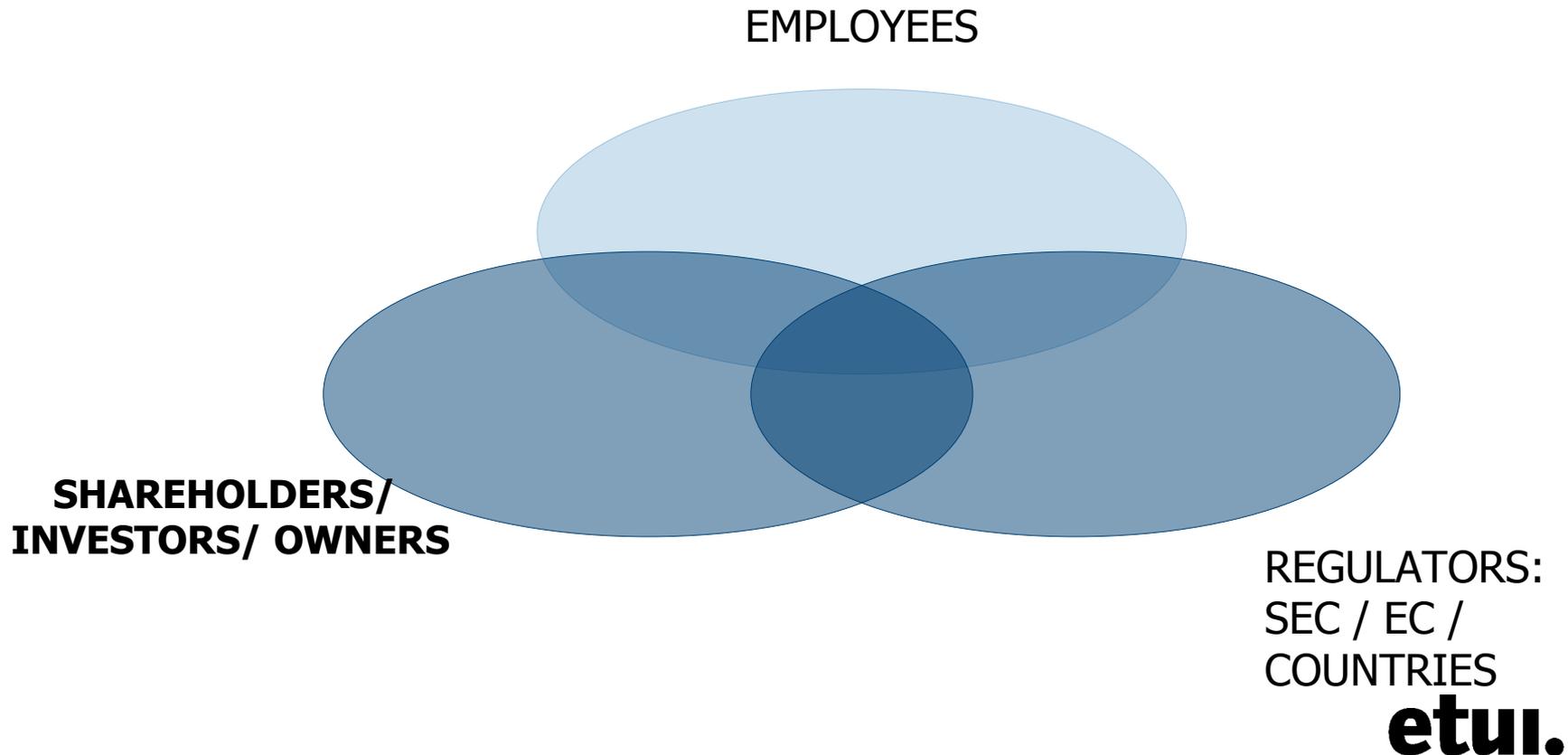
- It means anticipation, i.e.:
- – Sharing permanently information and promote a future oriented
- social dialogue, not only at company level
- – At company level, building of agreements on how information is shared and
- how it is used afterwards
- – Coordination of social dialogue at company level with social dialog at sector and
- territorial level
- – Building ability to change / Fostering constant readiness to change

Diversity of workers participation in Europe (board and plant level)



CONFLICTS BETWEEN COMPANY DISCLOSURE AND EU CONSULTATION PROCESSES

- **TRIANGLE OF LOYALTIES/DUTIES WHICH MANAGEMENT NEEDS TO RESPECT:**



Right of workers at restructuring measures – DIFFERENT EU COUNTRY FRAMEWORKS

GERMANY : Social Plan
negotiation key, individual actions
possible in parallel. Preference for
subsidized “Kurzarbeit”
Regional variations

ITALY : Cassa Integrazione (2
types – Government subsidized
temporary workforce reduction)

SWEDEN : preference for layoffs
over workweek reduction

SPAIN:
Collective Agreements

Right of workers at restructuring measures – DIFFERENT EU COUNTRY FRAMEWORKS

UK: More flexible than Continental jurisdictions, but less subsidization.

FRANCE: Consultation process though without teeth to “block” becomes de-facto time consuming barrier to action, with high degree of union participation and influence on works council typical

Netherlands: highly regulated, court action is high risk if no agreement reached. Can sometimes even overturn agreements made.

SWITZERLAND: outside EU, more flexible legislation

Relocation > restructuring - outlook

- When trying to formulate potential policy responses and develop trade union strategies, we have to be aware of the
- strong interrelation between: `relocation` - `restructuring` - collective bargaining – workers participation
- The major way to preserve high quality workplaces in the long run: upgrading activities through specialisation and higher value added – workers involvement (not just I/C has a great potential in this)
- But who is paying the transition costs:
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- Enterprises – through efforts made to push innovation, training and investments (responsibility of enterprises)
- Public sources (active labour market policies, flexicurity)