



EU SYNTHESIS REPORT



European Commission
Employment, Social Affairs
and Equal opportunities

27 National Seminars Anticipating & Managing Restructuring

- A.R.E.N.A.S -

VC/2008/0667



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27 National Seminars on Anticipating and
Managing Restructuring - *A.R.E.NA.S.*
(Service contract VC/ 2008/0667)

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This report examines the measures used for anticipating and managing restructuring in the 27 Member States of the European Union at the end of the first decade of the 21st Century. Restructuring is defined here as any change in the structure of an organisation with an impact on the employment or working conditions of the workers.

The aim of this report is to provide an overview of the measures available to anticipate and manage restructuring in the 27 EU Member States. We also wish to help policy-makers at the European, national and regional levels to better understand these measures, and to assist them in policy formation and the design of more effective legislation. An additional aim of this report is to support labour market actors, such as trade unions, employers and their organizations, in their policy-making.

The comparative analysis in this report is based on data collected by an international group of experts in an EU-funded project on Anticipating Restructuring in Enterprises: National Seminars (ARENAS), coordinated by the International Training Centre of the ILO (ITCILO) in Turin, and on the minutes of seminars organised in each of the 27 Member States.

The aim of this project was twofold:

- to support the sharing of knowledge concerning restructuring; and
- to disseminate the lessons learned on existing and innovative measures being taken in the EU Member States for anticipating and managing restructuring at national, regional, and local levels, and across specific economic sectors.

This report is the first attempt to draw conclusions from this project.

This report examines the measures that are in place for anticipating and managing restructuring in the 27 EU Member States, based on the 27 seminars that were held in the Member States under the project Anticipating Restructuring in Enterprises: National Seminars (ARENAS).

How to anticipate and manage restructuring has been at the centre of many debates in Europe in recent years. The concept of restructuring has taken on many different meanings, signifying the ongoing structural changes in market economies, the transition towards privatisation in the new Member States in Central and Eastern Europe, and it has most recently been associated with measures related to mitigating the effects of the economic and financial crisis. Despite this divergence, we have chosen to use the term ‘restructuring’ because it provides an opportunity to take a broader view of the phenomenon. Restructuring is used here as a unifying concept for all types of changes in organisations, independent of the reason for change, that have an impact on employment relationships. Restructuring includes measures such as dismissals and collective redundancies, but also measures to predict, prevent and prepare for such activities.

Restructuring is a nexus of many conflicting interests. On the one hand, restructuring can be regarded as a natural phenomenon in any market economy where firms need to adapt their structure and workforce in relation to changes in demand for their products and services. As a result, organisations will need to develop practices and measures for anticipating and managing restructuring in order to be able to secure their survival and competitiveness. On the other hand, restructuring often has important social consequences, not only for those workers affected, but also for local communities, regions and Member States where it takes place. The repercussions will be wider still if the restructuring is on a particularly large scale. Restructuring may have direct effects such as job losses and unemployment for workers, but there are also long term consequences such as reduced competitiveness, increased unemployment and economic recession, depending on how restructuring is managed. Therefore, it is important that efforts are made to ensure that restructuring is anticipated and managed in such a way as to reduce the negative social consequences as much as possible, while maintaining the competitiveness of European economies.

Restructuring is not a new phenomenon. However, the way in which restructuring is being managed, and the magnitude of restructuring in the current financial crisis, are new. The main feature of the current financial crisis is that the economic downturn has hit almost all European countries at the same time. Governments are adjusting their policies and legal frameworks in order to respond to this development. New measures and anti-crisis packages have been implemented at a pace never seen before. In Europe, the efforts to manage restructuring have been underpinned by the European Commission’s initiation of several projects to document and exchange experiences on practices and measures to anticipate and manage restructuring. However, despite the fact that interest in restructuring is growing due to the economic crisis, and government debts and unemployment rates are increasing in several European countries¹, restructuring has not yet been considered at the highest decision-making level of the European Union. On the one hand, this is because of the divergence of measures and policies implemented to anticipate and manage restructuring among the Member States. On the other hand, because of the urgency in addressing the current crisis, the new measures and policies that have been adopted so recently, have not yet been completely evaluated, and it is therefore too early to draw conclusions on the merits of the variety of policies and practices prevalent in Europe. Nevertheless this report may serve as a background to discussions in that it provides an overview of the measures available in the 27 European Union Member States and

¹ See, for example, Latvian NBP p.10; Greek NBP p.9; Spanish NBP p.16

offers firm grounds on which to discuss the limitations and benefits of the available measures for anticipating and managing restructuring. This report does not contain an exhaustive list of measures, but focuses on those that are most interesting and relevant.

It should be noted that restructuring has a tendency to have negative connotations in Europe, as it is understood to involve dismissals and downsizing. However, as noted above, restructuring can also have positive effects, and there may therefore be a need to ensure that all stakeholders are aware of both the positive and negative effects of restructuring.

The purpose of this report is to provide a better understanding of the different measures implemented in the 27 EU Member States and to identify the lessons that could be learned and disseminated to other countries in Europe. To provide a better understanding of how these different measures are implemented in practice and the extent to which they contribute to longer-term sustainable competitiveness, this project has amassed examples of measures for anticipating and managing restructuring in all 27 Member States, as documented in national background papers (NBPs); and seminars were organised with tripartite stakeholders in each country to discuss and evaluate the effectiveness and efficiency of the measures.

The outputs coming from the NBPs and the debate during the Seminars have generated data and information on approximately:

76 existing measures and instruments for **anticipating** restructuring;
111 existing measures and instruments for **managing** restructuring;
88 case studies at national, regional and company level.

These outputs are described in the following chapters and summarised in specific tables in the annexes. The references to the NBP's in the footnotes are related to the English version of each report.

STRUCTURE OF THE REPORT

The remainder of this report is structured as follows:

- Chapter 1 provides an overview of the context and regulation of restructuring and the actors involved.
- Chapter 2 provides an overview of the main measures and tools in place for anticipating restructuring in the EU Member States, drawing out the commonalities and highlighting innovative practices.
- Chapter 3 examines the main measures and tools in place for managing restructuring in the EU Member States, identifying the main common elements and showcasing differences and innovative elements.
- Chapter 4 discusses the issues, dynamics and dilemmas related to the measures outlined in chapters 2 and 3.
- Chapter 5 draws the principal conclusions from the discussions outlined in the report.

There is a brief description of the existing measures for anticipating change and for managing restructuring processes in the Annexes.

1.1 Methodology

The project Anticipating Restructuring in Enterprises: National Seminars (ARENAS) was managed by the International Training Centre of the ILO, based in Turin, Italy, and funded by the *European Commission's DG Employment, Social Affairs and Equal Opportunities*, in the framework of a service contract entitled "Restructuring in Europe: 27 national seminars". Under this project, national background papers on restructuring were prepared by appointed national experts in each country, examining the main measures and tools used for anticipating and managing restructuring in each of the 27 EU Member States. These background papers then formed the basis for discussions in national seminars held in each of the 27 EU Member States between April 2009 and June 2010. The purpose of these seminars was to allow participants to share their views on the effectiveness of the different measures for anticipating and managing restructuring available in their own country. The aim of the national seminars was also to enhance awareness and create a dialogue on restructuring in each EU Member State.

Seminar participants comprised representatives from relevant central, regional and local government authorities, trade unions, employers' organisations, companies, chambers of commerce, universities, research networks, and other relevant bodies. These participants attended each national seminar on an invitation-only basis. More than eight hundred (800) participants have attended the seminars in the 27 Member States.

One-day seminars were held in 10 countries and two-day seminars in 17 countries. For details see table 1 below.

Table 1: Details of national seminars, ARENAS project

Country	Date
One-day seminars	
Bulgaria	10 February 2010
Cyprus	19 November 2009
Denmark	10 December 2009
Estonia	20 January 2010
Latvia	21 January 2010
Lithuania	5 November 2009
Luxembourg	18 March 2010
Malta	16 February 2010
Slovakia	1 October 2009
Slovenia	16 March 2010

Country	Date
Two-day seminars	
Austria	18-19 May 2010
Belgium	8-9 June 2010
Czech Republic	24-25 September 2009
Finland	20-21 May 2010
France	30 June-1 July 2009
Germany	28-29 April 2010
Greece	21-22 October 2009
Hungary	13-14 October 2009
Italy	28-29 April 2009
Ireland	18-19 December 2009
The Netherlands	26-27 January 2010
Poland	16-17 September 2009
Portugal	24-25 February 2010
Romania	11-12 May 2010
Spain	27-28 May 2010
Sweden	25-26 November 2009
The United Kingdom	8-9 September 2009

Source: ARENAS 2010 (<http://arenas.itcilo.org>).

Following each national seminar, the relevant national background paper was revised by the national expert to reflect the debates at the seminar. This synthesis report is based on the information contained in the 27 national background papers for each Member State and in the minutes of the debates that were held in the seminars. It reflects facts, experiences, practices, case studies, data and information frameworks provided by 27 national experts. As a result, the report is a partial picture which does not include the overall restructuring setting of each Member State. The national background papers are available on the ARENAS website: <http://arenas.itcilo.org/>

It should be stressed that there are certain limitations to these data sources. Firstly, the national experts were drawn from a range of relevant disciplines and therefore the national background papers may contain an element of expert bias, reflecting the fact that the focus of the national background paper may be influenced by the particular interests and focus of the national expert. While we are confident that no important measures have been left out, expert bias may result in differences of emphasis between the national background papers. Secondly, the debates held at the national seminars only reflect the views of the participants who attended, rather than the wider views of the stakeholders as a whole, and should be read in this way.

Synthesising the richness of the debates held in these 27 national seminars is a difficult task, due to the complexity and the volume of the material gathered. While this synthesis report aims to do this, it cannot do justice to all the debates held and views gathered, although it does attempt to give a flavour of them.

A list of national experts for each country is provided in Annex 1.

1.2 The context for restructuring: labour market developments

Restructuring is a phenomenon that is an ever-present part of business life. Organisations must modernise and adapt continuously in order to remain competitive in a globalised and ever-changing market. However, there are also peaks and troughs in restructuring activity, depending on the economic context.

The most recent data on the level of restructuring in the European Union comes from the European Restructuring Monitor (ERM),² which shows that, over the first quarter of 2010, restructuring activity continued to be dominated by job losses, although the number of cases of restructuring captured by the ERM has declined. From 1 January to 31 March 2010, the ERM reported 244 cases of restructuring in the EU. Of these, 160 involved job losses. The number of announced job losses totalled approximately 80,000 in the first quarter of 2010 as compared with announced job creation of just over 30,000 new jobs. This compares with a high point of 609 cases of restructuring involving job losses in the first quarter of 2009, resulting in 220,000 job losses.

The recession of the past two years has had a significant impact on the labour market. Eurostat data shows that, following a low point reached in the first quarter of 2008, unemployment has risen constantly in both the Eurozone countries and the EU27, reaching 10% in the Eurozone and 9.6% in the EU27 by May 2010. There are, however, wide variations across the EU, ranging from an unemployment rate of 4.0% in Austria and 4.3% in the Netherlands, to 20.0% in Latvia and 19.9% in Spain.

Graph No.1

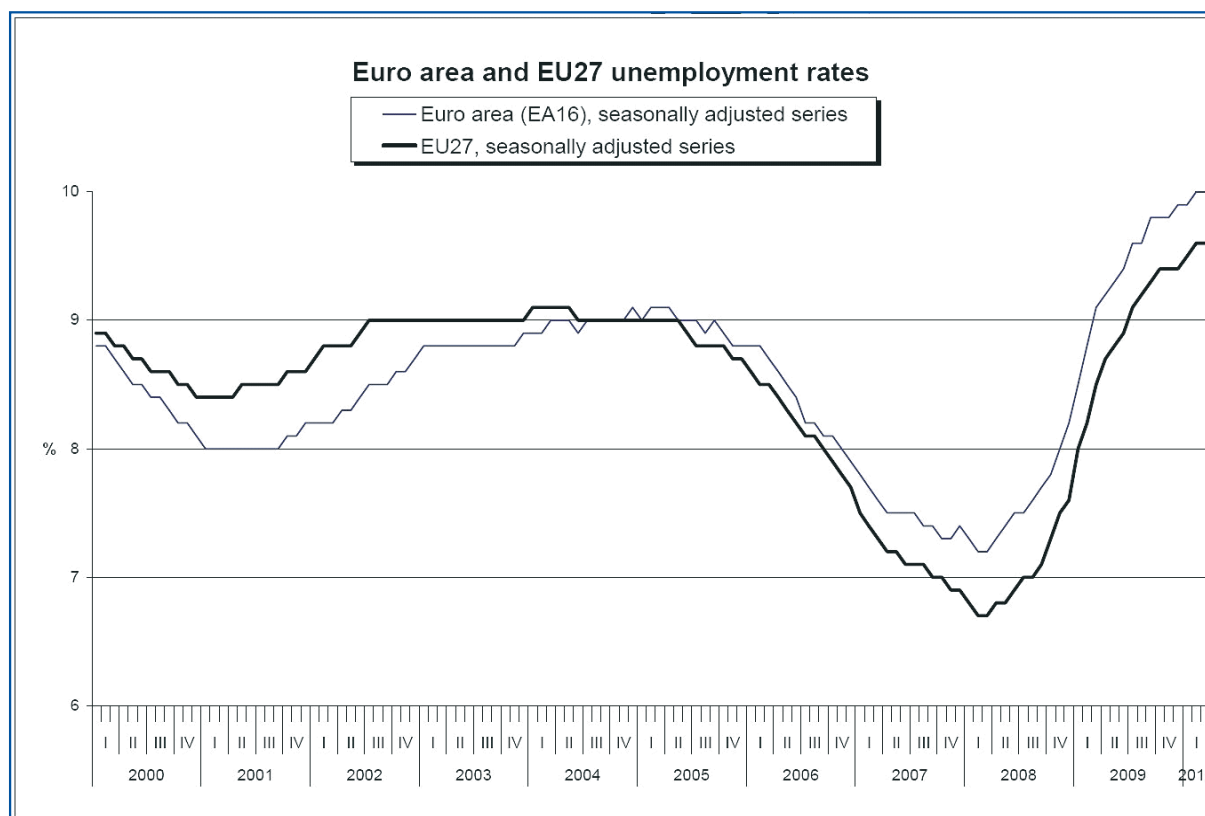


Source: Eurostat

² ERM Quarterly, Issue 1, Spring 2010

The graph below shows clearly the main trends in unemployment levels in the EU over the past decade. Average unemployment remained largely between 8% and 9% in the Eurozone and the EU Member States until the middle of 2006, when it began to fall, to a low point of just under 7% in the case of the EU27 and just over 7% in the Eurozone. From that point onwards the average rate of unemployment in both the Eurozone and the EU27 has risen steadily.

Graph 2: Unemployment rates in the European Union



Source: Eurostat

There are a number of possible ways in which restructuring can have an impact on the proportion of unemployed people in the labour force. There may be a direct effect of layoffs and redundancies. Workers are made redundant and are registered as unemployed, thus leading to an increasing rate of unemployment in the labour market. However, depending on the measures available to transfer workers into new jobs, job loss may be only a temporary state and workers may be transferred in a relatively short period into a new job. This is particularly the case in countries such as Sweden, where the employment protection system is designed in such a way that workers find a new job within a relatively short period of time (between five and seven months³). Perhaps contrary to expectations, this was also the case during the darkest periods of the financial crisis in 2009.

This does not mean, however, that restructuring will not lead to increasing unemployment rates. Redundancies may lead to unemployment for those categories of workers who are about to enter the labour market or have for various reasons been temporarily out of the labour force owing to parental

³ See Swedish NBP p.64.

leave, military service, sick leave, and so on. This is due to the fact that employers have a tendency to value workers with work experience.

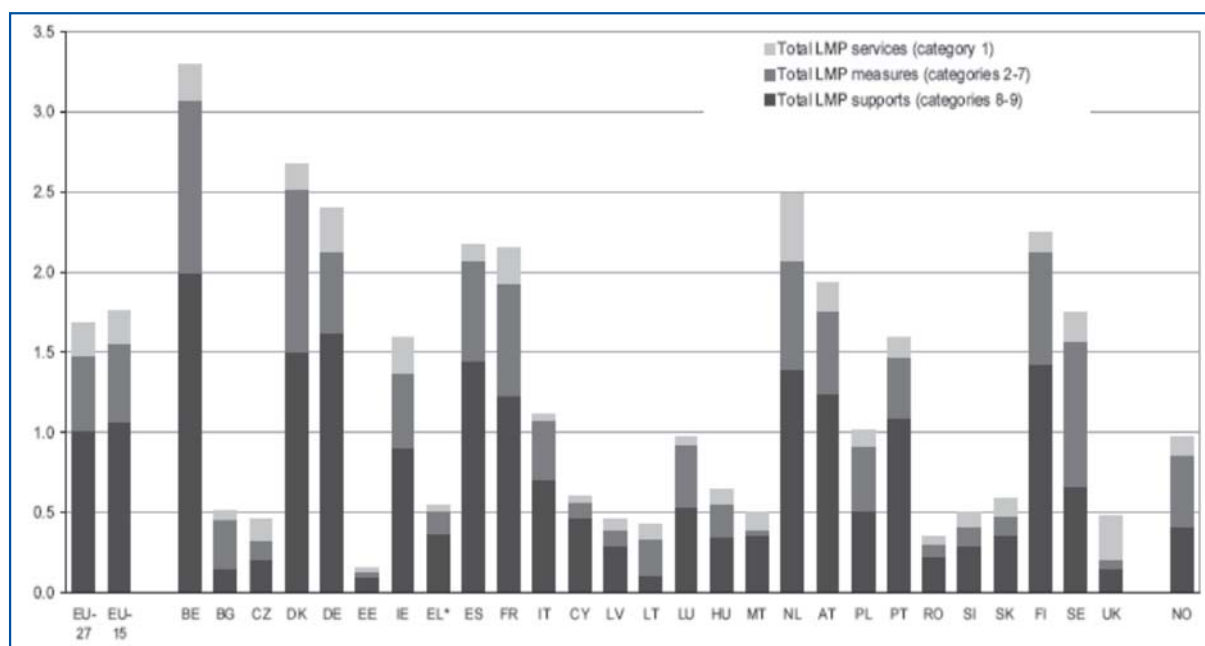
A third mechanism can be found in reduced job creation in the economy due to employers' hesitation to recruit labour when future market opportunities are uncertain.

In sum, the relationship between restructuring and unemployment can take various forms and consequently measures to respond to restructuring may have different effects. For example, in a situation of increasing unemployment policy-makers need to understand the nature of the problem and the measures available to resolve it. Thus, the critical issue revolves around who will be affected by restructuring, especially who will be facing redundancy, rather than merely whether unemployment will result *per se*.

1.3 Differences in recent national labour market policy approaches

All EU Member States have been obliged to put into place measures to try to respond to the crisis, in order to try to preserve employment levels and the employability of the workforce as far as possible. As can be seen below, however, expenditure on the labour market varies considerably between countries, and also varies according to the type of labour market measure. This chart uses three labour market policy measures as classified by Eurostat:

- the first group is characterised by labour market services, such as advice and help with jobseeking activities;
- the second group is characterised by labour market measures such as training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives;
- the third group is characterised by labour market supports, such as out-of-work income maintenance and support, and early retirement.

Graph 3: Labour market policy expenditure as percentage of GDP (in %)

Eurostat 2009: Labour Market Policy – Expenditure and Participants, Data 2007, p. 15

Source: *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.* Eckhard Voss, Wilke, Maack and Partner.

Overall the above chart identifies three different country models of labour market policy spending:

- a group with comparatively modest spending on labour market policy measures overall, mainly consisting of the new Member States of Central and Eastern Europe;
- a group characterised by high spending on labour market policy measures, led by Belgium and Denmark, and also including Sweden, Finland, Italy, France and the Netherlands;
- a group characterised by high shares of labour market support, notably Belgium, Spain and Germany.

Thus labour market policy expenditure is uneven across Member States and emphasis is placed on different types of measures.

1.4 Regulation of restructuring

The basic legal framework surrounding the anticipation and management of restructuring is common to all EU Member States, as it is based on EU Directives. The Directives were designed as framework laws, not directly applicable in each Member State but requiring national transposition laws. European directives were introduced in the 1970s to help bring

harmonisation to existing legislation within the Member States. In the area of restructuring, there are three main relevant Directives:

1. Directive 1998/59/EC on the approximation of the laws of the Member States relating to collective redundancies. Originally formulated in 1975 and updated in 1998, this Directive aims to:
 - regulate collective redundancies (size of the operations and companies concerned)
 - introduce special obligations for employers (information, consultation and encouragement to set up social measures covering issues from prevention to compensation)
 - provide information to the public authorities of the Member States

This Directive states that where an employer is considering collective redundancies, consultations with workers' representatives should take place in good time and with a view to reaching an agreement. These consultations should cover ways and means of avoiding collective redundancies or reducing the number of workers affected, and of mitigating the social consequences of redundancies.

2. The Directive on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, known as the Acquired Rights Directive. This Directive dates from 1977 and was most recently amended and consolidated by Directive 2001/23/EC. This Directive aims to introduce:
 - regulation (turnover of employees following a merger or takeover)
 - an obligation to respect labour contracts and their related rights
 - rights for workers affected by such operations.
3. Directive 80/987/EEC on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer, as amended by Directive 2002/74/EC. This Directive relates to issues surrounding social guarantee funds (relating to salaries and benefits) for workers whose company has filed for bankruptcy or liquidation.

In addition to these three main Directives, the following Directives provide a framework for information and consultation of the workforce in a number of situations, including restructuring, when it entails collective redundancies:

- Directive 94/45/EC on the establishment of a European Works Council (EWC), or a procedure in Community-scale undertakings and Community-scale groups, of undertakings for the purpose of informing and consulting employees, as amended by Directive 2009/38/EC. This Directive applies to companies of 1,000 or more employees with at least 150 employees in each of two EU Member States. Its main aim is to make sure that management informs and consults with members of these councils in exceptional situations affecting the interests of workers, especially in terms of relocation, closure or mass layoffs.
- Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community. This Directive provides a framework for the information and consultation of employees in all companies with 50 employees or more,

on a range of issues, including restructuring, that are likely to have an impact on employment.

Together these Directives, transposed into national legislation, provide the workforce with a series of legal rights to be informed and consulted about organisational changes that affect the workforce, and place a number of obligations on the employer to inform and consult in good time. All Member States are obliged to transpose these Directives, although individual approaches may differ across Member States, depending on national practices and traditions, varying from a relatively minimalist approach to implementation (such as in the UK⁴), to the provision of rights that go beyond those enshrined in the Directives (such as in Germany⁵).

Despite this overarching framework, however, the approaches that individual Member States take to the management of restructuring vary considerably, reflecting a range of factors such as industrial relations frameworks, legal frameworks, history, background, institutional frameworks and mechanisms and culture, and this report reflects this fact.

One of the key differences is the role that labour law plays in the regulatory process. In some countries labour law is the main regulator of the processes surrounding restructuring, while in other countries collective agreements also play a significant role. One example of this is Belgium, where the social partners have traditionally been actively involved in social dialogue with the government on employment matters.⁶ Collective agreements supplement the Belgian legal framework, in the form of inter-professional collective agreements concluded between the social partners on the National Works Council. These agreements have the force of law for employers in the private sector. One example is collective bargaining agreement no. 9 of 9 March 1972, which states that in cases of merger, integration, takeover or closure or other important structural changes, the works council shall be informed in good time and before the information is widely disseminated.⁷ By contrast, in many of the new EU Member States in Central and Eastern Europe, social dialogue structures are relatively new and therefore not as developed as in some of the older EU Member States. In many of these countries, therefore, reliance on the legal framework is greater.⁸

It should also be noted that the regulatory framework, rooted in EU Directives, does not cover all legal aspects surrounding the regulation of restructuring in all countries. An example of this is Sweden, where, under the Employment Protection Act (LAS), employers must observe seniority rules when establishing which employees are to be dismissed, in accordance with years of service and age. However, these rules can be modified by a collective agreement on the order of selection, giving employers an incentive to engage with trade unions on this issue.

⁴ See UK NBP p.12-13

⁵ See German NBP p.33.

⁶ See Belgian NBP section 2.3.3

⁷ See Belgian NBP section 3.1

⁸ See, for example: Hungarian NBP p.52; Bulgarian NBP p.31.

1.5 Regulating redundancies in the context of restructuring

In general, there are two aspects for regulating collective redundancies. Regulation of the “decision to restructure”, the conditions under which employers may lay off workers, and the regulation “of the process”, that is the procedures regulating how redundancies should take place when this has been decided. A collective redundancy is primarily regulated by placing controls on the decision to restructure, for example, by requiring employers to explain the reasons for initiating redundancies, and by requiring them to draw up a report containing economic data. Such regulation also includes restrictions on when the regulation is valid, for example relating to the size of the company, or the number of employees to be made redundant, and may include requirements to obtain authorisation from labour market authorities.⁹ In the Netherlands, relatively complicated procedures surrounding approval for redundancies also apply.¹⁰

In terms of thresholds, in most countries, the collective redundancy procedure applies when more than five or ten employees are made redundant in an enterprise normally employing at least 20 workers. Most countries have introduced graduated thresholds defining redundancy cases according to the number of employees made redundant, and the size of the company.

Regulation may also include damage costs to be paid by employers, if the dismissal is regarded as unfair. Such regulations, which potentially involve complications and costs for employers, mean that employers may be hesitant to consider collective redundancies as a means of restructuring the organisation. In Spain, for example, penalties on employers for unfair dismissal are particularly high, leading in 2002 to changes aimed at reducing these payments.¹¹

Regulation of the process, on the other hand, is most often concerned with procedures for negotiation and consultation with trade union representatives, the principles governing how workers are to be selected for dismissal, and provisions for when and how dismissed workers are to be informed and compensated. This includes dismissal periods, severance payments, and work requirements until the contract is terminated. There are also countries that require employers to set up specific social plans that set out how workers should be supported during dismissal periods.¹² In most countries, labour law regulates both the event and the process of restructuring. However, the extent and content of such regulations differ between countries. For example, in Sweden, legislation governing redundancy places obligations on the employer to carry out selections for redundancy according to criteria such as seniority, although this can be modified by collective bargaining.¹³

Furthermore, legislation in Austria, Denmark, and Germany¹⁴, Luxembourg and Norway requires that the consultation procedure with employee representatives should aim to minimise the number of redundancies and soften the impact of redundancy where it cannot be avoided. In

⁹ See Spanish NBP p.37.

¹⁰ See Dutch NBP p.8.

¹¹ See Spanish NBP p.30.

¹² See, for example, French NBP p.40 and Austrian NBP p.55.

¹³ See Swedish NBP p.32.

¹⁴ See Austrian NBP p.39, Danish NBP p.40, German NBP p.33.

addition, countries such as Denmark, France, Germany, the Netherlands and Spain¹⁵ impose a statutory obligation to draw up a social plan aimed at mitigating the effects of redundancy. In Finland, although there is no obligation to draw up a social plan, employment programmes drawn up by the local labour market authorities and the social partners stipulate a trade union negotiation right.¹⁶

1.6 Actors involved in restructuring

The anticipation and management of restructuring involves a range of actors, ideally working together to ensure that restructuring is carried out in a way that has the least possible negative impact on the workforce (both those who lose their jobs as a result of the restructuring and those who survive it, but might be under additional pressure after the restructuring), the surrounding community, and the environment. Anticipation and management of restructuring is a complex process and the approach varies according to the EU Member State. The following actors are most frequently involved in restructuring:

- **The employer.** The initiation of restructuring is usually signalled by an employer decision and it is the actions of the employer that guide the restructuring event. In the public sector, the State acts as employer. There is an increasing trend of restructuring in the public sector, which is one of the consequences of the economic crisis and the cost-cutting measures that national governments are putting in place. Although this report does not address this trend in any detail, the coming years will see increasing levels of restructuring in the public sector.
- **Company-level workforce representatives.** These may either be trade unions, if present, or other forms of appointed employee representatives. The extent to which workforce representatives will be involved in restructuring, and the effect that they have, depends on the national systems in place for involving workers in restructuring processes, and the culture of the organisation that is undergoing restructuring. For example, some companies with a strong corporate social responsibility culture may include workforce involvement as part of the process. In some countries, works councils are present in companies and play an active role in restructuring. In Germany, for example, works councils, rather than the public authorities, are seen as the primary actors in enterprise restructuring, as they may negotiate and conclude legally binding plant agreements for the whole workforce¹⁷. By contrast in Hungary, although company-level agreements dominate collective bargaining, agreements on restructuring tend merely to replicate the relevant provisions of the Labour Code.¹⁸
- **National government.** Depending on the systems in place, national governments may play a role in the restructuring process, by a variety of means including establishing the legal

¹⁵ See French NBP p.40, Danish NBP p.41, German NBP p.35 Dutch NBP p.46, Spanish NBP p.61

¹⁶ European Foundation, Dublin, 2005: Redundancies and Redundancy Costs: <http://www.eurofound.europa.eu/publications/htmlfiles/ef0575.htm>

¹⁷ See German NBP p.31

¹⁸ See Hungarian NBP p.7

framework, providing funding and training programmes, coordinating outplacement activities and other support measures, or providing advice, largely through the public employment services. If there is a tripartite tradition in a country, government representatives will be members of tripartite policy bodies. In Ireland, for example, the tradition of tripartite social agreements dates back to 1987¹⁹ (although most recently this has been disrupted by the crisis) and the government, through its agencies, has put into place a range of measures to help support workers who lose their jobs as a result of restructuring.

- **Regional authorities.** Regional authorities can often play a significant role in the restructuring process, usually becoming involved in an advisory or funding capacity, particularly in cases where an organisation is a major employer in a particular area. If an employer decides to leave an area, this can leave a significant gap in employment. Territorial employment pacts exist in countries such as France, Italy and Greece,²⁰ aimed at tackling unemployment and promoting job creation through multi-stakeholder partnerships at local level that are tailored to the specific needs of particular regions.
- **Joint bodies,** often with tripartite cooperation. These are common in countries with a tradition of such cooperation, for example the tripartite Social Economic Council (SER) in the Netherlands,²¹ which has produced a range of reports and research to support government restructuring policy. In Hungary, the National Interest Reconciliation Council (OÉT)²² provides the framework for consultation with the social partners on draft economic, social, employment and other labour-related laws, as well as on the underlying policies and priorities. It is also the forum for general discussions and exchanges of opinions on economic and social issues of national relevance and of major interest to the actors in the workplace. In Latvia, tripartite social dialogue has been well-established since 1998, and the National Tripartite Cooperation Council has a number of sub-councils that address specific issues, including the Labour Affairs Council.²³
- **Public employment services** play a significant role in restructuring in many countries, providing advice and support to workers who lose their jobs as a result of restructuring. The past 18 months have seen an interesting trend in many countries, whereby the remit of the public employment services has shifted towards being a more hands-on actor, providing tailored advice, guidance and support to organisations or individuals, sometimes on the premises of the organisation or enterprise. Targeted and tailored interventions from the public employment services can be found in a range of countries, including Ireland and the UK.²⁴ Overall, the public employment services have responded well to the crisis in many countries, but the challenge has been one of coping with the sheer scale of the restructuring that the crisis has engendered. Rapid response units have been set up in many countries, but these are expensive to maintain and cannot be offered to all organisations undergoing restructuring.
- **The social partners** at national, sectoral or regional levels. The social partners can play a vital role in helping to negotiate, design and implement support packages for workforces, to a greater or lesser degree, depending on the traditions and culture of each Member State. The level and degree of social partner involvement depends on the particular

¹⁹ See Irish NBP p.6

²⁰ See French NBP p.47, Italian NBP p.37 and Greek NBP p.32/33

²¹ See Dutch NBP p.9

²² See Hungarian NBP p.28

²³ See Latvian NBP p.14

²⁴ See Irish NBP p. 38 and UK NPB p.23

Member State: some examples of national-level involvement include the Netherlands and Latvia,²⁵ where the role of the social partners has recently increased due to the government's acknowledgement that social dialogue may help in overcoming the crisis. Sector-level involvement is more likely to be found in countries where there is an established tradition of sectoral social dialogue and sectoral bargaining, such as Austria, Germany²⁶ and Italy; and some examples of company-level involvement include Germany, the UK and Ireland.²⁷

- **Training providers.** These can be either public or private sector training providers. Training providers have played a significant role in offering training to workers on short-time working during the crisis in Germany, for example, although there has been discussion in the German national seminar about the effectiveness of the training that was provided.²⁸ Other ways in which external training providers can play a role in restructuring is by offering training either via the company involved in restructuring, or through the public employment services.
- **External consultants,** who can fulfil a range of roles in support of restructuring. A specific example of this is to be found in Spain, where 1,500 professional counsellors were hired in 2009 to assist tens of thousands of workers who had lost their jobs in the construction sector. The counsellors were brought in to help with occupational change programmes.²⁹
- **Individual employees** also play their part in restructuring. Although they are helped and supported by the range of actors listed above, they have to make individual decisions about their own skills and career direction and development. This can sometimes involve making decisions about, and investing in, their longer-term future that may involve retraining or improving their skills.

It should also be noted that coordination is a vital component of measures for anticipating and managing restructuring. Overall, the role of the public employment services is crucial in the management of restructuring. One challenge is ensuring good coordination between the various actors involved. These could include, for example, the State in its role as the source of finance for measures, the employer and private consultancy organisations in their capacity to devise and implement measures, and the social partners, particularly employee representatives, in their capacity to encourage and ensure buy-in on the part of individual employees to the active measures (as opposed to passive measures such as severance payments).

More discussion of the roles of the actors involved in restructuring can be found in chapters 3, 4 and 5 of this report.

²⁵ See Latvian NBP p.14 and Dutch NBP p.9

²⁶ See, for example, Austrian NBP p.34, German NBP p.31

²⁷ See for example UK NBP p.33 and Irish NBP p.49

²⁸ Minutes of the German seminar

²⁹ See Spanish NBP p.41

This chapter examines the measures in place in the EU Member States designed to anticipate restructuring, based on the 27 national background papers and the debates that took place in the 27 national seminars on anticipating and managing restructuring, held as part of this project between April 2009 and June 2010.

One of the main issues to be addressed when attempting to summarise the range of anticipation measures that exist in the EU is the fact that anticipation is not a universally understood concept: anticipation means different things in different countries. In countries such as France, Italy and the Netherlands, for example, there are well-developed anticipatory systems and measures that have been in place for a relatively long time;³⁰ anticipation in these countries is therefore an accepted concept that readily features in debates on restructuring. In other countries, however, and particularly in some of the new Member States, anticipation is not a concept that is readily discussed in public debates, which makes it more difficult to identify and evaluate the anticipatory measures in place in these countries, not least because they are often initiated on an *ad hoc* basis rather than in a structured way.³¹ Nevertheless, one of the findings of this project is that a range of anticipatory measures is in place in all EU countries, albeit in a variety of different guises. This chapter therefore aims to review these measures, drawing out the common features and highlighting innovative practices.

2.1 Classification of anticipation measures

The 27 national seminars showcased a large number of measures designed for anticipating restructuring. The measures are categorised into two main areas:

- measures based on forecasting of economic and labour market trends, including early warning systems, which then feed into policy making. These forecasting measures are carried out by a range of actors, including national governments, regional and sectoral bodies, and the social partners.
- measures aimed at anticipating and facilitating transitions, which usually involve a range of actors working together to help organisations and workers to anticipate the transitions that restructuring is likely to entail. This includes strategic training initiatives designed to anticipate and fulfil skills needs and support individuals in making the transition to new skills, competences and even occupations.

³⁰ See French NBP p.25, Italian NBP p.33 and Dutch NBP p.39

³¹ See, for example, Bulgarian NBP p.36

2.2 Economic and labour market forecasting measures

ECONOMIC FORECASTING MEASURES

A range of measures designed to forecast economic trends and developments currently exist in the 27 EU Member States. They are usually carried out by the State, or State bodies, tripartite or joint bodies, or are managed by the social partners, such as the forecasting activities of the LO trade union confederation in Sweden.³² While these forecasting measures tend to address issues such as economic developments and trends, they may have an impact on the future needs of the labour market.

Forecasting activities often take place on a national basis, aimed at capturing economic and business trends across the whole economy. Governments then use this information to formulate policy and address any specific emerging problems, and are thus in a position to anticipate any potential restructuring in the economy. Finland is a country that has a wide range of forecasting measures (see Annex II for an overview), which are undoubtedly useful tools. Nevertheless, participants in the Finnish seminar felt that there might be an excess of forecasting, and that it might be somewhat fragmented with so many actors involved.³³ The challenge is therefore to find a balance between producing relevant data and putting it to good use in terms of policy making. The box below details a relevant example from Finland, which is an inter-ministerial forum for anticipation.³⁴

Box No 1

Government Foresight Network in Finland

The Government Foresight Network is an inter-ministerial forum for cooperation and exchange of information on issues relating to anticipation of the future, which is a systematic and inclusive process involving the collection, assessment and analysis of information. It also includes projections and visions for the future in the medium and long terms.

All ministries are involved in anticipation activities relevant to their appropriate sectors. Anticipation activities undertaken by ministries serve the strategic planning and development needs of the each sector as well as the Government's decision-making activities. The Government Foresight Network is a forum for discussing the results of the anticipation work carried out in the different sectors. Appointed by the Prime Minister's Office, the Network's term lasts until the end of the Government's term of office. The Network includes members of all ministries, and its presidency rotates among the ministries.

Some regional economic forecasting also exists: Finland has a range of regional and local forecasting measures³⁵. In the UK, regional economic forums examine the economic situation and trends affecting their region in some detail, in order to be in a position to put into place an

³² See Swedish NBP p.58

³³ Minutes of the Finnish seminar

³⁴ Source: Finnish NBP p.20

³⁵ See Finnish NBP p.17

appropriate strategy to anticipate possible restructuring. The box below gives details of the UK's South West Regional Economic Task Group.³⁶

Box No 2

Regional economic forums in the UK

The South West Regional Economic Task Group is chaired by the government minister for the region and has a remit to

- assess the regional impact of current economic uncertainties
- provide a conduit for the Regional Minister to discuss economic challenges with private and public sector bodies, and for the views of South West regional stakeholders to be represented at national level
- provide a structure through which problems affecting particular sectors or sub-regions /localities can be addressed, ideas can be harnessed, and public sector intervention can be coordinated to optimum effect.

It has considered detailed reports of the economic situation in the region. In May 2009, for example, a report to the Task Group identified four sectors, which were both vulnerable and of particular importance to the region: engineering, construction, retail and business services. The report suggested particular localities that might then be particularly impacted on by the recession, with a view to planning appropriate responses.

In many cases, these measures are well established and can provide relevant data, which can be of excellent quality. However, one of the potential problems with these systems is ensuring that the data is adequate, which is not the case in all countries. In the new Member States in particular, the national seminar discussions centred on a lack of good quality and targeted data. Further, it is important that the data is used in the correct way. If the data is simply collected and does not feed into policy formulation, it has no practical use in increasing intelligence, a point which was emphasised in the Finnish seminar debates. Lithuanian seminar participants felt that more sectoral detail would make the forecasting measures more useful.

In the Swedish seminar, too, there was some scepticism regarding the usefulness and accuracy of forecasting surveys, which can sometimes only provide a snapshot of the development of the economy and labour markets. It was felt that there was a need for platforms, or arenas, where a consensus on strategic concerns can take shape. In the Hungarian seminar, participants indicated that there was no information available on whether forecasting data and prognoses are actually used, or on whether the central public administration and regional labour centres have developed mechanisms for implementing specific interventions based on the collected information. There was also felt to be a lack of coordination relating to surveys run by the government and the social partners. Lack of coordination between different surveys was also highlighted by the Italian seminar participants.

³⁶ Source: UK NBP p.22

LABOUR MARKET FORECASTING MEASURES

Labour market forecasting measures are arguably the most common type of forecasting measures found in the EU. The majority of countries have some type of mechanism in place that allows examination and analysis of labour market trends and movements at a range of levels, including national, sectoral, regional and territorial.

These types of measures can identify shifts in the supply of labour, or produce forecasts of future skills needs, or long-term developments in the labour market. These are largely passive measures that aim to monitor developments and identify gaps with the intention, as with the economic forecasting measures, of the information feeding into more active labour market policy making.

In countries such as Austria and Poland, for example, labour offices monitor and analyse trends relating to demands for certain skills and professions. This data is then used by labour offices, ministries and education authorities.³⁷

In Estonia, the ministry of economic affairs and communications undertakes forecasting of labour force demand, examining changes in employment structures and labour force movements between sectors.³⁸

In Portugal, The Employment and Vocational Training Observatory (Observatório do Emprego e Formação Profissional, OEFP) aims to identify, prevent, and present solutions for employment and vocational training problems related to imbalances between labour demand and supply; employment quality and stability; need for skills and vocational training; and restructuring.³⁹

While these were all felt to be useful tools, there was some debate in the national seminars on their shortcomings. In Poland, for example, it was felt by the seminar participants that while the analysis of the demands for certain skills and professions was useful, it was sometimes not precise enough in terms of the data collected.⁴⁰ This was a common theme in seminar debates on forecasting tools. In Estonia, seminar participants stressed that in order to be effective, labour market forecasting needed to be well-coordinated. In Slovenia it was felt that while the data produced by forecasting measures was extremely useful, sometimes it could be improved by being more targeted to the specific needs of different organisations.

REGIONAL ANTICIPATION AND MONITORING

Regional monitoring observatories also exist in some countries, and overall the assessment in the national seminars was that, where they exist, regional anticipatory bodies are of great relevance to labour market anticipation. In the Czech Republic, for example, labour market data is collected and trends are analysed in the Moravian-Silesian Region.⁴¹ Regional monitoring and interventions are an important feature of the anticipation of restructuring in Italy, where there are many local-level initiatives and strategies for local economic development and social cohesion, involving funding by the national government, and the involvement of local authorities and the social partners. In addition, in recent years, territorial schemes involving social consultation and economic planning have been put into place in the areas hardest hit by the recession and industrial change, notably in the south and the centre-north of the country.⁴²

³⁷ See Polish NBP p.38

³⁸ See Estonian NBP p.27

³⁹ See Portuguese NBP p.33

⁴⁰ Polish seminar minutes

⁴¹ See Czech NBP p.33

⁴² See Italian NBP p.36

In Denmark, observatories attached to trade organisations and trade unions collect and analyse information on organisations, employment and training in their sector, as well as analysing and anticipating the impact of economic, technological, regulatory or demographic changes on trends in employment and training requirements.⁴³

An innovative regional labour market anticipation scheme exists in Finland, where employment office officials interview companies to gain their views on a variety of labour market issues, in order to gain an overview of labour market trends. See the box no. 3 for more details.⁴⁴

Box No 3

Regional anticipation in Finland: the study of the needs for workforce and training (the TKTT model)

The interactive TKTT foresight model has been found useful in South-West Finland, and it has also been taken up elsewhere in Finland and abroad. The interactive and processing aspects of this model are particularly interesting and relevant. Under this scheme, civil servants in employment offices interview firms and ask for their short-term views on a range of subjects. The themes of the interviews are:

- (a) Changes in the use of their workforce – increases/decreases by profession
- (b) Recruiting problems
- (c) Training requirements for professions and job assignments
- (d) Changes in core professions and job content
- (e) Age distribution and the retirement rate of personnel
- (f) The economic situation now and in one year
- (g) Training needs and presentations of those needs to educational institutions
- (h) Networking and sub-contracting needs and new business ideas
- (i) Prospects for export contracts
- (j) Investment needs
- (k) Needs for premises
- (l) Open comments

Once the results from the interviews have been compiled, they are summarised and delivered to a council of experts. The council of experts then studies the summary. A final report is sent to the businesses interviewed and to the members of the council of experts.

In France, there are a range of sectoral and occupational employment observatories, which are either independent organisations taking the form of an association (as in the case of the telecommunications sector) or can be integral to a professional organisation or a federation of

⁴³ See Danish NBP p.30

⁴⁴ Source: Finnish NBP p.28

professional organisations, notably employers' organisations such as the observatory for employment and training in pharmaceutical companies, the LEEM.⁴⁵

The range of labour market forecasting tools on offer is greater than that of economic forecasting tools. There is also some potential for transferability – for example, the regional monitoring system in place in the Czech Republic was inspired by a similar scheme in Scotland, UK.⁴⁶

Many of the labour market forecasting measures in place were judged by seminar participants to be effective and useful. In particular, the identification of gaps and shortages in the labour market can be particularly effective in informing labour market and training policy, providing well-informed updates on needs and demands in the labour market.

There are a number of conditions that must be met for labour market forecasting and anticipation tools to be accurate, as identified in the national seminar debates. Firstly, the data must be accurate, complete and up to date, and there are indications that this is not always the case. It is also difficult for data to be accurate for long, given the fast pace of change in many cases. Secondly, to be of practical use, mechanisms should be in place to ensure that the data feeds into policy-making – it is not enough to collect it, thought should be given to how it is to be used.

EARLY WARNING SYSTEMS

Some countries have early warning systems in place that provide advance information about the movements of the labour market, enabling relevant actors to put an advance strategy into place to address them. These systems rely on employers providing information to employment offices on plans to make redundancies, or else are based on intelligence gathered by monitoring the labour market. Countries where employers must provide advance notice of intentions to carry out redundancies include Austria, Lithuania, Poland, and Slovenia.⁴⁷

In Slovenia, employers are obliged to inform the employment services each year about future employment prospects in the coming year. This includes information on job vacancies, as well as the number and the structure of redundant workers envisaged for the current year. On the basis of this data the employment services prepare forecasts and adjust employment policy. This was thought to be a good tool, as long as the data was collected in a timely way. In Bulgaria, the social partners operate informal advance warning systems, so that they are normally aware of any potentially negative developments in organisations.⁴⁸ However, as this is not a formal mechanism its effectiveness is dependent on individual actions.

In Ireland, the government co-ordinates and oversees an early warning system on potential job losses and firms in difficulty, based on information provided on a confidential basis by the Industrial Development Agency (IDA) Ireland, Enterprise Ireland, and Shannon Development (a regional development company). The system operates through notification by companies of proposed redundancies, or difficulties, to government departments and/or agencies. This information includes details as to why each particular situation has developed. The aim is to

⁴⁵ French NBP p.30.

⁴⁶ See Czech NBP p.41

⁴⁷ See Austrian NBP p.56, Lithuanian NBP p.38, Polish NBP p.30 and Slovenian NBP p.33

⁴⁸ See Bulgarian NBP p.38

ensure, as far as possible, that information is available on companies in difficulty, and to enable the relevant state agencies to assess what, if any, corrective action might be appropriate.⁴⁹

In the UK, the Scottish government's initiative PACE (Partnership Action for Continuing Employment) is a national strategic framework that aims to provide a partnership approach to responding to redundancy. PACE brings together local and national public sector agencies to respond to potential and proposed redundancies as quickly, effectively and consistently as possible, targeting help and advice where it is likely to be needed.

Early warning systems are an extremely useful tool for anticipating restructuring. They must, however, be detailed enough, in terms of the types of workers that are threatened with redundancy and their skills and competence levels, to allow targeted anticipation measures to be put into place. They must also be sufficiently timely to allow action to be taken. In Austria, for example, although the early warning system of obliging companies to communicate planned dismissals was felt to be useful, there were concerns that the lateness of the communications hindered action.

The main economic and labour market anticipation measures that exist in the 27 EU Member States are summarised in table 1 in Annex II.

2.3 Anticipating and supporting transition

Restructuring inevitably involves change and transition, both for organisations and for the people who work for them. Measures aimed at helping organisations or industries to adapt to change include specific sectoral initiatives that target industries in particular need of assistance, and regional and territorial initiatives that focus on areas or regions that may have particular labour market problems, possibly due to the dominance of one type of industry or employer, or a lack of appropriate work opportunities in that area.

Change can be particularly difficult for individuals, particularly those who have been working for the same employer for a considerable length of time. However, there are several ways in which individuals can be helped to prepare for an eventual transition to different jobs or different parts of the labour market. These involve actions such as enhancement of existing skills and competences, or development of new skills and competences.

Schemes aimed at achieving the above aims are usually run by groups of stakeholders working together in a participatory way. The schemes in existence range from national-level schemes that are managed by the State – in conjunction with other actors such as the social partners, external agencies, academics and experts – through to regional, sectoral and company-level schemes.

NATIONAL INITIATIVES

National initiatives to support transition include the Globalisation Council in Sweden, which is a multi-stakeholder body tasked with making recommendations to the Swedish government on

⁴⁹ See Irish NBP p.25

future policy directions in an era of continuing globalisation.⁵⁰ In the Netherlands, an innovative skills-boosting scheme in the maths, science and technology sector exists at national level, which aims to increase interest in and support for this sector (see the box below for details).⁵¹

Box No 4

Skills boosting in the Netherlands ***Platform Bèta-techniek (Platform Beta-technics)***

In 2004 the Dutch government published the Deltaplan Science and Technology, which stated that, to become a prominent knowledge economy, the country needed a boost in Maths, Science and Technology (MST), in both research and education.

The leading argument was to improve the use of technology and human talents in order to intensify innovation.

The Deltaplan formulated quantitative and qualitative goals:

- 15% more MST-graduates
- an increase in the number of young people choosing a career in MST
- as many of these graduates leave the MST track quickly, better retention of MST specialists should be attained in 2010.

The multi-stakeholder Platform BètaTechniek was created in the same year to put the Deltaplan ideas into practice. It received a government budget of €60 million per year. The Platform not only wanted more students and employees in MST, but also tried to build new curiosity and interest in science and technology among the whole Dutch population.

Five years later, the main results are:

- the main task, 15% more graduated MST students in higher education, has nearly been achieved
- 2,500 primary schools introduced MST in their curriculum
- 10,000 teachers and future teachers have taken steps to be a more professional MTS expert in general secondary education; the NG-profile (Nature & Health, containing maths, biology, chemistry and physics) has developed into the most chosen profile in the country
- there are 63% more women in MST curricula within VET
- education-company networks have been created for three categories of secondary education.

Not all the targets have been achieved. However, the effects are visible in higher education. The Platform has contributed to the anticipation of restructuring in the sense that the future labour market will host more MST qualified employees. This could mean these employees, and the companies employing them, will have better opportunities to be competitive and innovative and their employees might be more mobile on internal and external labour markets than the smaller MST cohort in today's workplaces.

⁵⁰ See Swedish NBP p.58

⁵¹ See Dutch NBP p.42

ENCOURAGING INNOVATION

The fostering of innovation is seen by many countries as an important weapon in the armoury of measures for anticipating restructuring and making sure that economies and labour markets keep pace with technological and other types of change. There are examples of measures designed to achieve this around the European Union. The competitiveness poles in France are a good example, as they aim to bring together relevant actors to devise ways of stimulating industry and, crucially, of preventing relocation of organisations away from a region or sector.⁵²

In other countries, innovation forms part of government policy to enhance the competitiveness of the economy. In Latvia, for example, the government has launched a series of programmes to support innovation, with the goal of ensuring that in 2010 the number of innovative enterprises constitutes 20% of all enterprises in the country.⁵³ Innovation is central to the development of SMEs, although they can find it difficult to free up time and resources for innovation. Governments therefore have a range of measures in place that aim to offer support to the innovation efforts of SMEs. In Portugal, for example, the government operates a work placement scheme that aims to foster innovation in SMEs by targeting graduates in areas linked to innovation, such as management, engineering, science and technology.⁵⁴

Helping SMEs to operate and to innovate has been a focus of government employment policy in many countries, and is a strategy that can safeguard economies against the worst effects of restructuring. SMEs have particular problems and challenges due to lack of resources, lack of formal structures and a small workforce, which means that it is difficult to release employees for training. Targeted support for SMEs should be a priority for countries wishing to encourage innovation.

In some countries, the State has offered special assistance to SMEs: for example, in Slovakia, the National Agency for Development of Small and Medium-Sized Enterprises works to support the establishment and development of small enterprises.⁵⁵ In Hungary, targeted help is available to SMEs to help them with innovation, including research and development and technical innovation.⁵⁶ In Latvia, one programme aims to promote co-operation between Latvian scientists and entrepreneurs in conducting the research necessary for the development of new technologies and products.⁵⁷ In Portugal the government has launched a subsidised line of credit for investment to provide financial support to viable SMEs.⁵⁸ Nevertheless, participants in the national seminars felt that it remains relatively difficult for SMEs to have the access to the credit that they need. There was also a view among participants that it was difficult to evaluate the precise impact that schemes to help SMEs had achieved.

ATTRACTING INVESTMENT

Attracting investment to particular regions, or to the country as a whole, is seen as a way in which the labour market can be diversified and safeguarded against future restructuring. These measures are usually funded by the State and involve a range of labour market actors, including

⁵² See French NBP p.34

⁵³ See Latvian NBP p.19

⁵⁴ See Portuguese NBP p.42

⁵⁵ See Slovakian NBP p.30

⁵⁶ See Hungarian NBP p.16

⁵⁷ See Latvian NBP p.19

⁵⁸ See Portuguese NBP p.37

the relevant sectoral or regional bodies. In some countries, such as Ireland and some of the newer EU Member States, this can be an important contribution to a regional economy and to the national economy as a whole. In Ireland, agencies such as Enterprise Ireland, IDA and Shannon Development in the Mid-West region work to attract investors into Ireland, a strategy that has had considerable success over the past two decades.⁵⁹ Investment promotion projects also exist in many other countries, such as Luxembourg, Malta and Slovakia, where a range of joint projects aim to establish industrial parks in particular regions, with the aim of expanding employment in those regions. For example, the Slovak Investment and Trade Development Agency (SARIO), established in 2001, plays an important role in nearly all significant direct foreign investments in Slovakia.⁶⁰

These types of measures can enjoy success, particularly if they are coupled with advantageous tax provisions. Nevertheless, they are not immune to the ravages of recession, or the global nature of investment, as companies move around to find the most financially advantageous location in which to base themselves. One disadvantage is that, if reduced rates of tax or social security are offered to companies that come into the country, this will have an impact on State finances.

SECTORAL INITIATIVES

There are a range of sectoral initiatives in place in many Member States, such as targeted actions to help specific sectors. In Italy, for example, a range of joint sectoral monitoring bodies has been set up in specific sectors through sectoral bargaining.⁶¹ This works well when the social partners have an established relationship that supports joint working in this way. Bipartite sectoral training and development funds operate in many sectors in the Netherlands, with specific budgets for their work.⁶² In countries such as Portugal and Spain, specific sectors are targeted, with the aim of trying to increase competences in those sectors.⁶³ However, some sectors may not be sustainable in their current form, owing to increased low-cost competition from other countries – for example textiles, which face competition from low-cost competitors in Asia – meaning that competence development needs to focus on mobility across sectors. This is arguably more difficult than skills enhancement within one sector.

REGIONAL INITIATIVES

There are many examples of regional or territorial initiatives that have been established on a participatory basis to promote anticipation of restructuring by strengthening business development and consolidation. In Italy a range of regional bodies is in place, including territorial employment pacts (see box No. 5 for details).⁶⁴ Territorial employment pacts have also been piloted in a range of territories in Greece, run on the basis of a tripartite agreement and with the involvement of the social partners, and with EU funding.⁶⁵ While these were thought to be effective, national seminar participants felt that there was a general lack of evaluation data. Further, there was some disappointment that the jobs created by these pacts are more limited than originally expected. There has also been a lack of a coherence, with some of the plans made

⁵⁹ See Irish NBP p.46

⁶⁰ For more details, see the Slovak NBP p. 29.

⁶¹ See Italian NBP p.31

⁶² See Dutch NBP p.44

⁶³ See, for example, Portuguese NBP p.36-37

⁶⁴ The source is the Italian NBP p.37

⁶⁵ See Greek NBP p.32-33

up of an assortment of fragmentary proposals by separate bodies.

Other examples of regional competence development initiatives come from the Netherlands, Hungary and Sweden. In Sweden, for example, the Business Region Göteborg (BRG), a multi-stakeholder organisation, attempts to strengthen and develop trade and industry in the region, by promoting business development and the development of clusters.⁶⁶

In Lithuania, regional policies are in place that the social partners agree are well-targeted. But seminar participants also noted that these policies are still relatively weak owing to the lack of active efforts at the local level by local authorities.

Box No 5

Italy: territorial employment pacts

Amongst the main measures for local development in Italy are the territorial employment pacts, launched in 1998. These pacts integrate initiatives to promote capital investment in particular areas with targeted interventions (generally on infrastructures) so as to remedy structural disadvantages. Territorial employment pacts are now widespread throughout the country and, according to the Italian Ministry of the Economy and Finance, they have generated good practices in the industrial districts of the Centre and North of Italy and in southern regions with a certain level of industrialisation, or which are predominantly rural. In the North and Centre, several pacts have been assessed as achieving a good level of effectiveness: for example, those of Rovigo and Eastern Venice (in the North-East), of Val diChiana, Grosseto and Livorno (in Tuscany) and the European pact of Sangro-Aventino (in Abruzzo); in the South the pacts of Teramo, of Lecce and the pact of East Naples, all of which have focused on industrial development. By contrast, the pacts of Benevento, Caltanissetta and Simeto-Etna have been signed in less industrially-disadvantaged areas.

In certain Italian regions, provinces and cities, the local authorities and the social partners have developed a range of employment and development pacts.

Such regional or territorial schemes can be very effective and act as poles of excellence when they work well. In Italy, territorial employment pacts are now widespread across the country and are reported to have resulted in considerable success in helping and renovating regions. One of the disadvantages of any regional initiative, however, is that they have limited impact beyond their targeted region or area.

SUPPORTING INDIVIDUAL TRANSITIONS

Individual workers suffer most directly in a restructuring situation, and often find it difficult to adapt to the changes and transitions needed to move on from a restructuring event. There are, however, many measures in existence that serve to support individual workers in advance, by renewing and building up their skills and competences so that they are in a position to respond to future restructuring events.

Training and competence development is therefore an important strand of labour market anticipation, enabling future skills needs to be met and thereby avoiding the skills mismatches,

⁶⁶ See Swedish NBP p.59

which can be a feature of uninformed labour market management. There are a wide range of training and competence development initiatives in place in Member States, ranging from national training initiatives aimed at equipping the workforce with the necessary skills and competences to cope with future labour market demands, to national skills policies, funded by central governments.

This is particularly important in countries where there is a focus on trying to increase the overall skills level of the national workforce. For example, the Portuguese government has made skills training a particular focus in recent years, hoping to increase overall skills levels and therefore the employability of the country's workforce. Its "New Opportunities" initiative aims to reach all age groups in the workforce and covers all forms of learning in formal, non-formal and informal environments.⁶⁷ The UK is another country that has pursued a national policy of increasing the overall skills levels of its workforce in recent years. Here, the Leitch Review of Skills in 2006 attempted to provide a comprehensive overview of the UK's skills mix and make recommendations for future national skills policy. The UK has also put into place individual learner accounts, to help individuals gain access to training. Further, union learning representatives have been introduced at workplace level in order to help to facilitate access to training for individual workers.⁶⁸

A range of sectoral training and competence development initiatives exists in many Member States, targeting those sectors deemed to be in particular need of skills and competence development. In the Netherlands, for example, there exist a range of bipartite-governed sectoral training and development funds in operation – see the box No. 6 for details.⁶⁹

Box No 6

Bipartite sectoral training and development funds in the Netherlands

Since the 1980s a range of bipartite-governed sectoral training and development funds have been in operation. In 2007 there were 140 such funds in a total of 116 sectors. The priority objectives of the funds are:

- promotion of good industrial relations in the sector (68% of all funds)
- retention and improvement of professional skills (67%)
- improvement of the connection between education and the labour market (62%)
and
- maintaining employment in the sector (61%).

Providing training is still the central activity of the funds. However, in the period 2004-2006, 30% of the funds financed work-to-work activities, using 15% of their budgets. Mobility promotion within the sector was slightly more popular (37%). Intra-sectoral mobility – preparing and helping employees to move to another sector – was less of a priority (14%). One of the main advantages of these funds is that they try to eliminate inter-firm competition through reducing training costs, as all employers and employees contribute, regardless of the use they make of them.

⁶⁷ See Portuguese NBP p.30

⁶⁸ See UK NBP pp.20,

⁶⁹ The source is the Dutch NBP p.44

CONTINUOUS VOCATIONAL TRAINING

Continuous vocational training, throughout an employee's career, and not just at times when an employee is threatened with redundancy, is seen by many countries as an important strand of anticipatory policy. In Germany, for example, there is much emphasis on training throughout the life of an employee. Nevertheless, it can sometimes be difficult to encourage employers to commit to and invest in training, particularly at times of economic downturn. In the German national seminar, it was felt that there was no particular culture of continuous vocational training in many companies, meaning that employers and employees did not engage properly with lifelong learning. This was also a theme of many of the other national seminar debates.

In France, workers have an individual right to training throughout their career, the aim of which is to enable workers to ensure that their skills and competences are constantly in line with the shifting demands of the labour market throughout their entire working lives (see the box No. 7 for details).⁷⁰

Many countries are seeking to boost their continuous training systems as a means of ensuring the overall employability of their workforce. Examples include Spain, Latvia, Italy, Hungary, Portugal, Romania and Denmark.⁷¹ In Portugal, local advisory councils for qualifications aim to update the continuous vocational training offered in the country.⁷² They are deemed to provide a valuable framework within which different stakeholders may work together and offer training services. However, seminar participants felt that increased participation from the social partners was necessary in order to make this more effective and also that more exchange of information and an overall build-up of trust was needed. In Romania, seminar participants felt that there was an overall lack of efficiency in the continuous vocational training programmes currently in place, and that it was difficult to match the training on offer with the demands of the labour market.

Box No 7

France: individual right to training

In France, legislation gives workers the individual right to training (DIF), which allows any worker (including temporary workers and workers on fixed-term contracts) to accumulate 20 training hours a year that can be used at his or her choosing with the agreement of the employer. These hours can be saved up over a maximum period of six years, giving a credit of 120 hours of training. French law also allows individuals to validate their experience by means of obtaining, all or part of, a diploma, or vocational certificate, based on their particular experience or expertise.

Although it could be argued that it is best practice to embed a culture of training throughout an employee's life, the threat of restructuring that might entail redundancies tends to focus the minds of policymakers on the issue of training and competence development. There are a range of schemes in existence in Member States, therefore, that offer training to those workers who are under potential threat of redundancy. In Ireland, for example, workers threatened with redundancy are offered individualised advice and professional development services, provided

⁷⁰ See French NBP p.28, Latvian NBP p.22, Italian NBP p.39, Hungarian NBP p.31, Portuguese NBP p.55, Romanian NBP p.67

⁷¹ See, for example, Spanish NBP p.55,

⁷² See Portuguese NBP p.33

by the State training agency FÁS.⁷³ In Romania the public employment agency is obliged to allocate at least 15% of its annual expenditure to the vocational training of employees.⁷⁴ In Lithuania, the public employment service runs a scheme that offers vocational training to workers threatened with redundancy.⁷⁵

There is also a gender dimension to skills and competence development. In Austria, for example, retraining programmes for technicians target women in particular.⁷⁶ These measures are deemed to be positive in terms of helping women to flourish in technical professions, and reducing the gender pay gap. However, the national seminar participants thought that national implementation would be difficult, and some resistance to women in certain technical occupations still had to be overcome.

These are good examples of training and development schemes that aim to upskill the workforce in a strategic way. However, there are a number of preconditions for their success. The debates in the 27 national seminars indicated that it can be difficult to access these schemes owing to high levels of bureaucracy, or a lack of general information. Minimal red tape and a good information and dissemination strategy are therefore considered vital preconditions for good access to these schemes. Training and competence development are measures at the centre of efforts to anticipate and manage restructuring, and this theme runs throughout the various parts of this report. One key challenge is to reach those in most need of it, as they are often not on the radar of the organisations providing the training. Targeted efforts should therefore be made to train those with low skill levels or outdated skills, to ensure that they are not left behind as the shape of the labour market and the nature of skills demand move on. Debates in many national seminars confirmed that training measures are often taken up by those with already relatively high skill levels, as they are generally relatively comfortable with the concept of training and development. Those individuals with basic, or low skill, levels are less likely to come forward to participate in training and should therefore be encouraged to do so. In the Danish national seminar, for example, participants felt that there should be a focus on training young unskilled workers as they were most in need of a skills upgrade.

Another challenge is ensuring the portability and recognition of training. A lack of accreditation of training or knowledge and competences gained at the workplace will limit an individual's employability and future career prospects. Steps should therefore be taken to ensure that training measures are accredited wherever possible. This will also encourage individuals to take part in the training. In France, such a system exists, under which experience acquired by individuals can be validated by a panel in order to enable the individual to gain, all or part of, a diploma, or vocational certificate.⁷⁷ However, the national seminar reported some difficulties in implementing this system. Other challenges relating to training include the need for cooperation between the actors involved, such as companies, labour market experts, and training providers. Furthermore funding needs to be secure and transparent.

SUPPORT THROUGH COLLECTIVE BARGAINING

The industrial relations and collective bargaining systems of EU Member States have, to a greater or lesser degree, regular information exchanges between the employer and employee representatives at the workplace level, ranging from well-embedded mechanisms for exchange to minimal application of EU Directives. These information exchanges can serve as a useful anticipation tool, as long as both employer and employee representatives engage seriously in the

⁷³ See Irish NBP p.23

⁷⁴ See Romanian NBP p.35

⁷⁵ See Lithuanian NBP p.45

⁷⁶ See Austrian NBP p.60

⁷⁷ See French NBP p.29

process. In countries where the industrial relations system provides for works councils, regular meetings with works council members at company level facilitate discussion of the main economic and employment trends in a company, thereby flagging up any potential problems in advance. When this is well embedded, it provides a good process for ensuring regular communication. However, one of the issues here is that not all companies, that are theoretically covered by works council legislation actually have works councils in place, owing to the fact that there needs to be an employee trigger to begin the process.

Not many companies have formal mechanisms for anticipating restructuring, either within a pre-set framework, or on an individual basis. However, anticipatory meetings and bargaining do take place in France, through anticipatory bargaining on employment and competences at workplace level (*la gestion prévisionnelle des emplois et des compétences au niveau de l'entreprise*, GPEC), which addresses issues such as internal and external mobility and enabling workers, through training, to acquire new skills.⁷⁸ For further details, see the box No. 8. This is deemed to be a useful tool for helping companies to cope with emergency situations and is an innovatory measure in terms of anticipation at company level. However, in the national seminar, it was felt that this was difficult to put in place effectively in SMEs. Further, one of the challenges was to move from collective towards individual schemes that target individual needs effectively.

Another innovative scheme in France is the signing of procedural agreements, under which employers and trade unions conclude a collective agreement regarding the procedures to be followed in a future restructuring situation involving redundancies. Thus future restructuring situations and how they should be handled can be anticipated at company level.

Box No 8

France: anticipatory bargaining on the management of employment and competences at workplace level – *la gestion prévisionnelle des emplois et des compétences au niveau de l'entreprise*, GPEC

Companies in France are obliged by law to engage in bargaining on the management of employment and competences at workplace level (*la gestion prévisionnelle des emplois et des compétences au niveau de l'entreprise*, GPEC). This is aimed at designing, implementing and monitoring policies and action plans, with a view to:

- reducing in advance any disparities between the requirements and the human resources of the firm, based on the medium-term objectives of the firm
- the ongoing training of people in the labour market
- establishing a link between the development of the firm and the personal development of the workers in their professional development projects.

A recent report on corporate agreements on human resource planning carried out by the French Ministry of Labour over the period 2005-2008 shows that GPEC bargaining, which was moderate from January 2005 to January 2008, accelerated in 2008, when a total of 300 agreements were signed. The bargaining obligation affects approximately 47,500 firms employing close to 9 million workers in the private sector. As at 31 December 2008, 570 GPEC agreements were signed and lodged with the French administrative authority, covering a total of 1,475,000 employees. In 2008, agreements were predominantly signed in large firms: 41% in firms with 300 to 1,000 workers, and 36% in firms with more than 1,000 workers.

⁷⁸ See French NBP p.25

Some companies operate internal labour market pools in order to boost the employability and mobility of the workforce and increase functional flexibility. Examples of this practice exist in many organisations in Germany, including Cologne University Hospital (see box No. 9). This is an interesting example of measures to boost employability and mobility. However, there may be limited transferability to these models, as they depend on the specific needs and aims of a particular employer, in response to a specific issue.⁷⁹

Box No 9

Internal flexibility scheme in Germany

JobChange was established in 2007 as part of the HR Department of Cologne University Hospital. The hospital currently employs around 7,000 employees in about 60 clinical departments. They are responsible for treating and caring for around 50,000 in-patients and 170,000 out-patients annually, plus research and university teaching. The establishing of JobChange was motivated by accelerated change in the institutional framework of the German health care system, which hit the university hospitals particularly hard. From 2002 onwards, the financing of hospitals was reorganised from reimbursing their inputs to the treatment of an individual patient to fixed rates allotted to diagnosis-related groups. This created immense pressures for rationalisation and for cutting down on labour costs.

In order to be better able to adjust the allocation of human resources to changing demand in various departments, the human resource management group developed a concept of 'Consensus-oriented Management in Times of Crisis', of which the JobChange unit is a key element. Employment protection by collective agreement is an important background for developing this concept. As a public employer, the University Hospital is not in a position to reduce its staff through dismissals.

In a long-term perspective, JobChange aims at managing crises. However, in order to gather experience and to build up a reputation among the workforce, JobChange was first launched as a platform for voluntary internal mobility. The initial target group consisted of employees motivated to find a new vocational perspective in the various fields of activity of such a large hospital with a university profile. It was only later that the operations of JobChange were extended to employees affected by job loss through rationalisation.

Currently, an agreement is being negotiated between the hospital management and the works council, aimed at establishing the rules for involuntary internal transfers.

In January 2007, JobChange was launched with one or two staff members. During the first three years of its existence, JobChange has counselled 600 employees, voluntary and involuntary movers alike. There is a broad programme of measures and methods available for facilitating internal job placements. Working with individual participants always starts with a one-hour interview centred on the possibilities JobChange has to offer and the vacancies available. Occupational aspirations and abilities are taken stock of in a standardised profiling procedure. Further steps like training, internships in other departments and applications for a new position will be developed in subsequent interviews.

It should be pointed out that this model does not rely on any public funding.

⁷⁹ The source is the German NBP p.39

The anticipation measures that support transition in EU Member States are summarised in Table 2 in Annex I.

2.4 Concluding remarks

This chapter has examined the range of measures that are in place in EU Member States to anticipate restructuring. While anticipation of restructuring is not a concept recognised and debated to the same degree in all EU Member States, it is clear that all countries have in place measures that can be classified as anticipatory measures. Forecasting and early warning systems are present in many countries and can provide a range of extremely useful intelligence, both economically and in terms of labour market trends. When used well, this information has an important role to play in informing policy and anticipatory measures. However, this information is less useful if it is incomplete, untimely, or not disseminated or used in the right way.

There are also many measures in place in EU Member States that have a role to play in anticipating the transitions that restructuring is likely to entail. In order to keep pace with a changing world in an era of globalisation, organisations and whole sectors and communities must be aware of the kinds of changes they need to make to remain competitive and avoid the worst effects of restructuring. There are a range of measures in place that aim to help sectors and regions by such means as enhancing skills levels. There are also measures in place in Member States that aim to attract investment, support innovation and, more specifically, the development of SMEs. These measures are important for ensuring that national economies are in a position to face up to the constantly changing demands of the global economy.

Individual workers bear the brunt of restructuring and there are therefore many anticipatory measures in place that serve to anticipate restructuring, by strengthening skills and competence levels. This means that the individuals concerned will be in the strongest position possible to react to any future restructuring events. This is achieved primarily through training and competence development, measures that can make a real difference to an individual's career. Care should be taken, however, that those most in need of development – that is those with the lowest skills levels – are offered appropriate training. Ideally, qualifications should be recognised and portable.

Anticipatory measures agreed, or put into place at company level, can be extremely effective, as they can target individual workers effectively. In many countries measures aimed at developing the competences of individual workers, or offering different kinds of work experience, are agreed through collective bargaining or other forms of social dialogue. Regular exchanges of information in the context of collective bargaining, and information sharing and consultation at the workplace can also function as effective anticipatory measures.

Finally, one theme that runs through many of the debates on the above measures is the lack of comprehensive evaluation, making it difficult to assess how effective they have been in concrete terms. Evaluation of effectiveness is therefore usually based on the opinions of experts and stakeholders.

The main anticipatory measures in EU Member States and their strengths and weaknesses are summarised in Table 2 below.

Table 2 - Measures to anticipate restructuring

Measure	Strengths	Weaknesses
National and regional economic forecasting measures	Good source of information and data collection to inform policy.	Danger of collecting too much or irrelevant information. Collection also needs to be systematic and consistent. Information needs to be used correctly, otherwise it is of no practical use.
National labour market forecasting measures	Useful provision of information and intelligence on labour market trends, enabling policy to be formulated appropriately. Can be particularly useful in identifying gaps and shortages in the labour market.	Can be imprecise. Data collection and subsequent action needs to be well coordinated.
Regional/sectoral monitoring observatories	Tailored bodies can collect valuable information on labour market trends in specific regions and sectors.	Usefulness is limited if the data is incomplete and subsequent action needs to be targeted and coordinated.
Early warning systems	Invaluable source of information to help the actors prepare for the management of restructuring and possible redundancies.	If the information is not detailed and timely, its usefulness is limited.
National bodies to support transition	Excellent way of coordinating actions such as the enhancement and development of skills and competences	Good coordination and cooperation between the actors is needed; otherwise the effectiveness is limited.
Measures to encourage innovation	Innovation is a vital tool in ensuring that an organisation can withstand future changes, thus mitigating the effects of future restructuring. Many measures target SMEs in particular	Innovation is difficult and SMEs face particular challenges relating to resources and structure. Effects of policy can therefore be limited.
Measures to attract investment	Good way of diversifying the economy to safeguard against future restructuring	Can be expensive for the government. Positive effects can be reversed if companies decide to pull out of a country.
Targeted sectoral and regional initiatives	Targeted help, such as territorial employment pacts, can be useful.	Limited impact beyond the target sector/region.
Continuous vocational training	Good way of supporting individual transition throughout an employee's entire career.	Good involvement and coordination of the actors is needed to make it effective
Support through collective bargaining	Effective and regular information exchange and a good anticipatory tool when well embedded.	Active involvement of parties needed. Difficulties in implementation in SMEs.

In terms of the transferability of these measures across Member States, it should be remembered that although a wide range of anticipation measures has been identified, the types of measures vary considerably according to the particular country. There is some evidence of transfers of practice that have already taken place, such as a regional monitoring system in the Czech Republic that was inspired by a scheme in Scotland, UK. However, the potential transferability of many of the measures identified in this chapter depends on issues such as national context, legal framework, an effective social dialogue mechanism, traditions and the particular nature of

the problems that the measures are trying to address. As the success of measures depends on coordination and cooperation between key actors, a measure from a country with a well-developed system of tripartite, or other cooperation, between representative bodies will be difficult to transfer to a country where these systems are not as well developed, or where there is little tradition of trust and cooperation between the parties.

The role of the State is also a determining factor in the development of anticipation policies. In countries where measures such as forecasting and early warning systems have been developed, the State usually plays a role in coordinating or financing these measures. This might be difficult to replicate in countries where the State does not take such an active role in labour market policy, or where economic policy does not support expenditure on anticipatory labour market measures. Similarly, measures to attract investment and support innovation, particularly among SMEs, and continuous vocational training measures, usually require State backing, at least in terms of funding. Commitment to this type of backing may differ between Member States.

As we have seen, collective bargaining mechanisms can play a useful anticipatory role by providing for regular and timely information exchanges. However, in order to be effective, these procedures need to be properly embedded in sectors or organisations, and therefore their potential for transferability to other Member States, that do not have these traditions and practices in place, would be limited.

This chapter examines the measures that are in place to manage restructuring in the EU Member States.

European Directive 1998/59EC⁸⁰ states that where an employer is considering making collective redundancies, consultations with workers' representatives should take place in good time and with a view to reaching an agreement. These consultations should cover ways and means of avoiding collective redundancies, or reducing the number of workers affected, and of mitigating the social consequences of redundancies. However, despite this framework there are many different approaches to the management of restructuring in the EU Member States, varying from preventing or avoiding lay-offs and dismissals, to managing redundancies in such a way as to minimise the negative consequences, for example by supporting transitions to new jobs.

This chapter examines measures in place in the EU Member States that facilitate management of restructuring at the company level, based on information from the Member States and the debates that took place in the 27 national seminars on anticipating and managing restructuring that were held as part of this project between April 2009 and June 2010. In this chapter we will describe the different measures available in the EU Member States, compare them and evaluate their advantages and disadvantages.

The chapter is structured as follows: it begins by examining the different measures available for avoiding redundancies (wage and labour cost reduction, short-time working, partial unemployment and temporary lay-offs). It continues by addressing measures that are available when redundancies cannot be avoided (early retirement, severance pay and the various measures to support transition of dismissed workers to new jobs and training). The chapter concludes with a comparative discussion of the different measures and their possible transferability across Member States.

3.1 Measures to avoid redundancies

Regulation of collective redundancies often requires employers to consider all possible alternatives so as to avoid dismissals: in many legislative frameworks dismissals are meant to be the last resort. In this section we will describe the different measures available in the Member States aimed at avoiding or preventing redundancies in further detail: wage adjustment, short time work, partial unemployment and temporary lay-offs.

WAGE REDUCTION AND WAGE SUBSIDIES

It is not uncommon, when companies experience economic difficulties, for them to try to find ways of reducing labour costs by modifying the price of labour. Our review of the national background papers shows that there are several measures available to achieve this aim. The first and most

⁸⁰ http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&numdoc=398L0059&model=guichett&lg=en

obvious is to reduce wages. This is not a very popular measure from the point of view of workers and their representatives: nevertheless, examples of such measures exist, including negotiating lower wages, wage freezes, or taking back wage increases that have already been negotiated. It may also include reducing various forms of benefits such as holiday compensation and overtime. The Slovakian national background paper, for example, mentions that companies undergoing restructuring usually reduce employment by first terminating all posted workers and self-employed workers, and bringing previously outsourced activities⁸¹ back in house. In other companies, management decides to cut labour costs by means such as reducing planned wage increases, or cutting back on the usual employee benefits and awards. Similar measures were mentioned explicitly in the national background papers from Cyprus,⁸² Denmark,⁸³ Sweden⁸⁴ and the United Kingdom⁸⁵ (see Annex IV for more details), but there are reasons to believe that the national background papers in this project systematically under-report the extent to which wage reductions have been negotiated and implemented.

Labour market policies may also contribute to adjustments in the price of labour, for example by reducing social security obligations or providing different forms of wage subsidies to allow employers to retain their workforce in the context of recession. Such schemes were found in Hungary,⁸⁶ Ireland,⁸⁷ Romania⁸⁸ and Slovakia.⁸⁹ For further details see Annex IV.

The advantage of wage-modifying measures is that production can be continued, thus saving jobs. This is particularly relevant in high-skilled sectors experiencing a temporary reduction in demand. However, in addition to the obvious negative consequences for workers who experience cuts in pay, one of the main problems with these measures is the difficulty of reaching agreement between the social partners. As mentioned in the UK, Danish and Swedish national background papers, trade unions have been critical of employer proposals to reduce wages. Furthermore, even if wage or labour cost reduction measures promise to prevent redundancies, employers are not able to guarantee that workers will not be dismissed at a later stage. More importantly, as mentioned in the Swedish national background paper, if workers and their representatives agree on wage reduction as a way of avoiding redundancies in a crisis situation, there is a risk that future wage bargaining processes will be affected. Thus for workers, wage reduction as a way of avoiding redundancies may produce a vicious circle of lower wages and less advantageous working conditions, if it is not limited to extreme crisis situations.⁹⁰

Wage subsidies do not necessarily have the same effect, but as the long list of criteria for eligibility in the Irish example illustrates (see Annex IV) there may be difficulties in specifying to which firms the wage subsidy should be restricted.⁹¹ The main danger with wage subsidies is that subsidies might be granted to non-productive firms with little or no prospects for the future. In Hungary, the wage subsidy programme had to be cancelled owing to the high demand for subsidies from employers. In general, as a measure for managing restructuring, wage subsidies can provide a distorted incentive structure for employers.⁹² The ambition to support companies

⁸¹ see Slovakian NBP p.34

⁸² Cyprus NBP p. 26

⁸³ Danish NBP p.40

⁸⁴ Swedish NBP p.63

⁸⁵ UK NBP p.25

⁸⁶ Hungary NBP p. 42

⁸⁷ Irish NBP p.34

⁸⁸ Romanian NBP p.51

⁸⁹ Slovakian NBP p.47

⁹⁰ Swedish NBP p.62

⁹¹ Irish NBP p. 35

⁹² Hungary NBP p. 42

in economic difficulties produces employers who present themselves as being in economic difficulties. The alternative, to encourage employers to develop strategies and practices that allow them to survive, even under difficult situations, seems to be more sustainable.

SHORT-TIME WORKING

A second way for companies to avoid redundancies in times of economic downturn is to reduce the number of hours worked. Several companies have implemented flexible working time accounts, which allow employers to use labour when it is most needed. Under such schemes workers can save time in a working time account during high demand periods, and take leave when demand for work is low. In Slovakia, for example, working time accounts (flexikonto) were introduced by amendments of the Labour Code in March 2009 (see Annex IV and box 10 for further information). Employers experiencing a downturn are eligible to take part in the programme, during which workers are laid off on at least full basic wages. After the downturn is over, employees must work the missing working hours without pay. The programme is in force until the end of 2011.⁹³

Box No 10

Flexikonto in the Slovakian Automotive industry

Several companies, mainly in the automotive industry, implemented individual working time accounts (flexikonto). When orders are low, employees are laid off with full wages. On the other hand, employees should work during paid leave in accordance with the employer's demand, when order levels rise again. For instance, Volkswagen Slovakia used this measure several times in the first quarter of 2009, when car production was interrupted for some weeks. Some companies introduced shorter weekly working times to maintain employment in the company - fewer hours were worked per day or workers worked fewer days per week. In other companies, employees received proportionally reduced wages for reduced daily working time. For instance, Kia Motors in Žilina applied shortened daily working time, and management in U.S. Steel Košice decided to implement a four-day fully-paid working week: on the fifth day, employees did not work but received reduced wages. Management decided to implement this measure in order to maintain, as far as possible, current employment levels in the company. It can be estimated that these measures were applied in dozens of companies employing at least 40,000 workers. According to the available information, these measures were applied in both multinationals and domestically-owned companies.

Implementation of reduced working time is regulated by the Labour Code, which set the minimum pay level that has to be paid to employees who have been given temporary leave; it should be at least 60% of pay. According to information from trade unions, higher levels of pay have been agreed in company collective agreements.

Flexible working time accounts exist in several countries and are most often implemented in the manufacturing industry. This is a way for the employer to adapt working time to changes in product demand.

⁹³ Slovakian NBP p.33

Several Member States have adopted policies that allow employers to apply similar arrangements, but with State subsidies to compensate workers for the time not demanded by the employer - so called short-time working schemes (see Annex IV). The subsidies are granted to employers who cut daily, weekly or monthly working hours, the national public employment services, or some other body, providing payment to the individual, or through the employer for the difference, to ensure that individual income is not reduced. In some cases the individual workers are fully compensated for the income loss, but in other countries they are only partially compensated. The subsidies may also be offered through reduced social security contributions (for example the Italian Job Security Agreement).⁹⁴

Short-time working has been widely adopted during the financial crisis of 2008-2010 in terms of the number of countries where such schemes are available (for example Hungary, Latvia, Slovakia, Malta, Poland, Portugal, Romania and Slovenia). Publicly funded short-time working schemes already existed before the crisis in countries such as Austria, France, The Netherlands, Belgium, Germany, Italy and Luxembourg. In these countries a large number of workers and enterprises have been granted such support. In Austria, for example, short-time working has become a key labour market and employment policy instrument in companies' fight to overcome economic difficulties during the economic crisis. According to the Austrian NBP,⁹⁵ the number of workers on short-time working increased from 8,000 in 2008 to an annual average of 60,000 persons in 2009. The total costs of short-time working for 2009 are estimated to amount to between €250 to €300 million. By mid-September 2009 the number of employees on short-time working in Austria had gone down significantly. The Public Employment Services in Austria believe that short-time working arrangements are responsible for the fact that unemployment in Austria has risen significantly less than in other European countries. Without short-time working provisions, it is estimated that in November 2009 an additional 10,000 to 13,000 persons would have been unemployed. The programmes also seem to be accepted among the social partners in Austria: see box below.

Box No 11

Social partner positions on short-time work in Austria

- The Austrian Trade Union Federation, ÖGB, positively evaluates short-time working because of its cost effectiveness compared to unemployment. Short-time working costs only a third of the funds required to finance the unemployment costs of the affected individuals if they become unemployed. In addition, ÖGB regards the qualification measures allowing companies and employees to use periods of short-time working meaningfully as important and effective instruments for improving the quality of the workforce.
- The Federation of Austrian Industrialists, IV, also regards the option of combining short-time working with qualification measures as positive but stresses that "short-time working is not a gift but an indication of the company's recognition of their employees' work capacity and a better option than dismissal".

Short-time working schemes are temporary in nature, which implies that they are only offered to employers for a limited period of time, until the economic downturn is assumed to end. The

⁹⁴ Italian NBP p.42

⁹⁵ Austrian NBP p.11 and 64

intention of short-time working schemes is to avoid collective redundancies, and in several countries, it is regarded as a good way of saving jobs and reducing unemployment. The adoption of short-time working schemes often includes a requirement that the employer should be suffering from temporary economic difficulty due to reduced demand. In several countries, the adoption of short-time working schemes requires authorisation by a governmental authority, such as the local public employment service. In some countries, the adoption requires a social partner agreement, thus providing an incentive for employers to negotiate and come to an agreement with workers' representatives on the terms and conditions of applying the short-time working arrangement. Such requirements exist in Austria, Hungary,⁹⁶ Italy⁹⁷ and Slovenia.⁹⁸ Thus, short-time working schemes, when based on an agreement between social partners, may be regarded as a way of promoting social dialogue.

The advantage of the short-time working schemes identified in national seminars is that employers in economic difficulties can relatively quickly reduce their labour costs without a great deal of social conflict, in particular when there is a short-term drop in product or service demand. Employment contracts do not have to be terminated, and working hours may be returned to normal when demand re-emerges. Compared to the alternative – dismissals – employers do not have to recruit and train workers when demand returns, and in the German seminar it was particularly emphasised that this was an important advantage in the skilled segments of the labour market.

However, voices have been raised in national seminars and background papers regarding the predictability of economic recovery and the risk that employees may be dismissed in any case, once the short-time working period is completed. Thus the short-time working scheme may not be regarded as a complete and infallible measure for securing employment and avoiding dismissal. Furthermore, if workers are dismissed after a period of temporarily reduced working time, they may only be entitled to reduced unemployment benefit since their contribution rate has been decreased. Similar effects were identified in relation to future retirement compensation. A critique of short-time working schemes in Hungary was that they could have direct negative repercussions with regard to employees' future retirement pensions, as the service period is calculated proportionally, relating to the actual hours worked.⁹⁹

There were also concerns regarding the opportunities for employers to over-utilise this measure and related to controlling whether working time is actually reduced. In the German seminar, participants argued that short-time working allowances used for an extensively long period can lead to delaying the necessary and unavoidable measures related to restructuring, such as collective redundancies and closures of businesses. In such cases, short-time working merely serves to mask the reality. Instead of working temporarily on reduced working hours and compensation, with the promise of keeping their job, workers might have been better off dismissed, being unemployed for a period of time, and directing their energy towards a new career somewhere else. Thus what appears as a successful measure in the short term may have difficult consequences in the long term.

⁹⁶ see Hungarian NBP p.45

⁹⁷ In Italy only for CIGS and CS not for CIGO.

⁹⁸ See Slovenian NBP p.44

⁹⁹ See Hungarian NBP p.45

PARTIAL UNEMPLOYMENT

A similar way of avoiding redundancies is to offer workers partial unemployment. Partial unemployment is similar to short-time working because it allows employers to temporarily reduce the working time of their workers with the support of State subsidies that pay wages for the working time not demanded by the employer. Partial unemployment differs from short-time working in that it entails a more drastic cut in working hours to the extent that it can be called part-time. Another difference is that in some cases employment contracts are shifted to part-time contracts and part-time workers are registered as part-time unemployed and are offered unemployment benefits. However, in most cases part-time unemployed workers are granted higher benefits than they would be offered through unemployment benefits. It also has a more symbolic difference in that it is called partial “unemployment” and not part-time “work”, implying that it is not merely a reduction in working hours. Thus, compared to short-time working, partial unemployment signals a more severe situation for those involved.

Publicly-funded partial unemployment schemes have been adopted in several Member States (see Annex IV Table 4). In some countries, partial unemployment programmes have been adopted relatively recently (for example Bulgaria, Poland), whereas in other countries programmes have a long history and are an integral part of labour market policies (for example France, Luxembourg, The Netherlands, Spain). However, in these cases, amendments and modifications of previous programmes have been implemented in response to the recent economic crisis.

Since the partial unemployment schemes are very similar to short-time working schemes, they also share several of their perceived benefits and disadvantages. In those countries where they are in place, partial unemployment schemes are often regarded as an advantage for both employers and workers because they offer a relatively quick adjustment to decreasing product and service demand. In that sense, they work as a shock absorption measure that allows prevention of redundancies and retention of workers until the economy recovers. Partial unemployment is also regarded as something that allows companies to be better prepared following the crisis, since they are able to retain highly skilled workers instead of recruiting replacements, who would have to be trained before they could participate as productive labour.

It should also be noted that several countries do not operate partial unemployment schemes. In Poland, where a substantial anti-crisis package was issued on 1 July 2009, based on a debate in the Tripartite Commission for Socio-Economic Affairs and a social consultation process, the option of introducing a partial unemployment scheme was considered, but the idea was not included in the country’s anti-crisis legislation owing to its potential long-term negative effects. Agreeing to some proposals, trade unions leaders stressed that they perceived them as “transitional arrangements” and that the employment contracts would have “to be back to normal” once the economic situation stabilised.¹⁰⁰

Similar concerns have been raised in countries where partial unemployment schemes are in place, and are of largely the same nature as those relating to short-time working (see above). For example in Luxembourg, where national seminar participants questioned whether partial unemployment really leads to maintaining employment and avoiding dismissals, or whether it is merely a means of delaying and postponing dismissals.¹⁰¹ At the time of writing this report, it is difficult to know whether such concerns are valid, since most programmes have not yet been

¹⁰⁰ Polish NBP p.48

¹⁰¹ Luxembourg NBP p.47

carefully evaluated. In the Dutch seminar, the risk of employers misusing the schemes for covering entrepreneurial risks was mentioned, along with the problem that partial unemployment implied that companies unlikely bid on this project. regional, and o money. Participants in the Dutch seminar were also concerned that partial unemployment schemes could dampen incentives for employees to search for new jobs in the labour market, and thus discourage mobility and innovation.¹⁰²

TEMPORARY LAY-OFFS

A third way for employers to avoid redundancies is temporary lay-offs. This means that employers temporarily dismiss workers, but the employment contract is retained, or the employer promises re-employment after a specified time period. The time periods and conditions differ between countries, but the principle is the same. While the workers are not working, they are compensated by the employer or through public subsidies.

Publicly-funded temporary lay-off schemes are not new. In Austria,¹⁰³ Belgium¹⁰⁴ and Italy¹⁰⁵ there is a long history of using this type of measure, but temporary lay-off schemes have gained increasing attention and popularity during the recent recession and several of the new Member States (for example Cyprus¹⁰⁶ and Slovenia¹⁰⁷) have also introduced such schemes as part of an anti-crisis package. Although publicly-funded layoff schemes were abolished there following the crisis in the early 1990s, similar arrangements have recently been initiated in Sweden.¹⁰⁸ However, this time they are the result of a crisis agreement between the social partners in the manufacturing industry, without contributions from the State.

One of the advantages of these temporary lay-off programmes is that they can be limited to particular groups of workers, sectors or companies, but this is also one of their potential weaknesses in terms of securing equal treatment of workers, and fair competition between companies. In Cyprus, the application of temporary lay-off schemes is restricted to the tourism sector, aiming at preserving the bond between employers and employees over the winter. The Italian scheme provided by the Wage Guarantee Fund (*Cassa Integrazione*) is restricted to the employees of firms operating in certain sectors and of a certain size, and the workers subsidised by the scheme must be selected according to specific criteria (in compliance with the principle of direct and indirect non-discrimination). It is also obligatory to rotate suspensions, except for technical or organisational reasons, which the competent authority may reject. For more details see Annex IV Table 5. In Belgium, the scheme for temporary unemployment for blue-collar workers has been in place since 1978, but in response to the economic crisis amendments were made to the previous measure to include white-collar workers. The measure has to be justified by economic causes linked to the crisis. It is thus only available to businesses that are faced with either a reduction of 20% in turnover of production or in their orders; or are making significant use (20%) of a temporary lay-off for their blue-collar workers, and who have concluded a

¹⁰² See conclusions of the Dutch seminar at DutchNBP p. 83

¹⁰³ Austrian NBP p.40

¹⁰⁴ NBP Belgium section 3.2

¹⁰⁵ Italian NBP p. 41

¹⁰⁶ Cyprus NBP p.27

¹⁰⁷ Slovenian NBP p.45

¹⁰⁸ Swedish NBP p.62

collective bargaining agreement – or who have established a business plan on the subject. During the periods in which they do not work, workers receive unemployment benefit from the National Employment Office as well as supplements paid by the employer.

Compared with other schemes to avoid redundancies, temporary lay-offs have several advantages. In Austria, temporary employment suspension schemes (that have a different character, because the employment relationship is terminated with the promise to be re-employed) were used more frequently during the economic downturn in 2009, especially by companies dissatisfied with regulations for short-time working arrangements and other crisis management measures. For employers in temporary economic difficulties, it is a relatively simple way of cutting labour costs, and activities can be resumed when demand for products and services recovers. Labour costs are transferred to the public employment services, and employers do not need to spend time and money recruiting and training workers. Temporarily laid-off workers can easily return to their previous work duties and, when combined with training, they can be even better prepared than before. However, debates in the national seminars suggested that there have been difficulties associated with combining temporary lay-off schemes with training. In Slovenia, workers on temporary lay-off have the right and obligation to spend one-fifth of their non-worked hours on training. Training programmes have to be provided by the employer and are co-financed by the State or the European Social Fund to the extent of €500 per employee, but in the Slovenian national seminar participants argued that the education and training programmes were not properly defined.

However, there are also criticisms relating to the use of temporary lay-off schemes in several countries. As mentioned in the Austrian national background paper, workers' representatives criticise the scheme's potentially detrimental effects on employees' social security or monetary entitlements. In some cases, workers have been forced to waive holiday entitlements, or switch over to a new severance pay system, potentially entailing significant financial losses in terms of severance pay for employees, who have been with a company for many years. Workers' interest groups are also critical of the shifting of the suspended workers' social security costs to the country's public employment service.¹⁰⁹

According to the Belgian national background paper, the Belgian social partners acknowledge the necessity of offering companies more flexibility to confront various contextual influences (such as weather or business conditions), but there are also critical voices. On the one hand, this involves a transfer of the responsibility for paying for the cost of flexibility from the company to the State, as the public authorities pay a part of the unemployment benefit. On the other hand, "the system can be often hijacked by the employers, and often with the workers' approval, into an illicit search to avoid paying taxes: the businesses place their workers on temporary unemployment whilst keeping the work going and paying their workers *under the table*"¹¹⁰

In Sweden, the signing of the framework agreement on temporary lay-offs between social partners in the manufacturing industry was met with intensive debate and criticism, both among members of the signatory trade union and from other trade unions, who were afraid that this type of agreement would proliferate to all sectors of the economy. Other trade unions argued that the agreement implied a wage reduction and wage dumping and that it would create difficulties in future wage bargaining processes. However, representatives from the IF Metall trade union stressed that it was not about decreasing wages and that it is a temporary agreement signed in an

¹⁰⁹ Austrian NBP p. 41

¹¹⁰ See NBP Belgium section 3.8

extreme situation in which 25,000 IF Metall members were unemployed and a further 40,000 had been given notice of the risk of losing their jobs. The purpose of the agreement was therefore to try to offer an alternative to dismissals and reduce the number of redundancies of IF Metall members. In a report published in August 2009, the Swedish employers' association Teknikföretagen claimed that more than 10,000 jobs had been saved through the agreements. Representatives from Unionen, a Swedish trade union, on the other hand, claimed, in another report, that it was uncertain how many jobs the agreement actually had saved, and that many of their members were uncertain whether the agreement would have its promised effects.

In the Slovenian national seminar, participants voiced concern that temporary lay-offs might to a certain extent merely postpone the negative effects of the crisis on employment and, as mentioned in the Slovenian NBP, "even though the temporary lay-off scheme is primarily focused on preserving existing jobs, it should be somewhat more long-term oriented, encouraging structural shifts towards more technology-intensive industries with high productivity and returns, which in previous years created jobs and did not reduce the number of employees. In certain sectors, keeping existing jobs may have long-term negative implications for development and competitiveness".¹¹¹

3.2 Managing Redundancies

As mentioned previously, employers are most often required by labour law to consider all alternatives to dismissals. In many legislative frameworks dismissals are meant to be the last resort. When all alternatives have been investigated and employers still find no alternative to redundancies, there are several alternative paths to take. In this section, we will review in more detail three different measures available in the Members States directed at managing the fate of dismissed workers: early retirement, severance pay, and measures to support transitions of dismissed workers to new jobs, such as job transition services, career guidance and training.

EARLY RETIREMENT

Early retirement is one of the most common measures used for managing restructuring in the EU. Publicly-funded early retirement schemes were identified in 10 of the 27 countries covered in this report (Belgium, Finland, France, Greece, Lithuania, The Netherlands, Poland, Romania, Slovakia and Spain). For further details, see Annex IV Table 6. In several other countries (e.g. Bulgaria, Germany, Sweden) early retirement schemes funded by employers are available, but it is unclear to what extent employers are ready to offer such programmes. The eligibility requirements, the remuneration periods, and funding sources for the programmes all vary, but the general function of early retirement in the labour market is to reduce the supply of labour in response to decreasing labour demand, that is to withdraw older workers from the labour force.

¹¹¹ Slovenian NBP p.61

The advantage of this type of measure is that it offers a relatively easy way for policy makers to resolve the conflict arising when there is a mismatch between the supply and demand for labour. It is relatively easy to implement and it is often regarded as legitimate to offer older workers a dignified exit from their employment after having spent their life working hard for society's good. Employers may also find benefits in publicly-funded early retirement schemes because responsibility for employees is shifted to the State in both financial and social terms. It is also a way of resolving the conflicts involved when trying to select workers for redundancy. Employees may also find benefits in early retirement schemes, although in the longer term pension payments may be reduced.

In some countries, early retirement programmes are regarded as favourable because they open up job opportunities for the unemployed - for example in Romania and Spain. In Spain, there are negotiated *partial retirement schemes* that are applied on condition that another person is employed. As mentioned in the Spanish NBP,¹¹² workers' representatives and trade unions usually regard this measure as "the lesser of two evils" since it provides an opportunity to maintain the level of employment. The objective is to exchange older workers on permanent contracts for less expensive contracts (in terms of both wages and labour costs) through which younger workers are employed. In Spain, there are also so-called "relief contracts", under which a person aged 60 leaves the company whilst another person - the so-called "relief worker" - is hired for at least a five-year period.

However, several problems related to early retirement schemes were raised in the national background papers and the national seminars. As was debated in the Belgian seminar, for the individual worker it is not always an advantage to leave working life early, while for workers with lower income levels early retirement often implies a reduced income level during a longer period of retirement, which may be difficult. While early retirement may be regarded as fair, since older workers have spent their working life in the workplace, it may also be regarded as a form of unequal treatment because younger workers are not treated in the same way. In Belgium, the "solidarity pact between the generations" has questioned the use of early retirement schemes as a way of managing restructuring because it does not create sustainable conditions for the pension system in the future. Steps have been taken to try to limit the use of early retirement as a measure for managing restructuring in Belgium, but recent data shows that the number of recipients has increased, rather than decreased, during the past two years.

In the Netherlands, early retirement schemes and funds have rapidly disappeared. However, there is still huge support among employees for these instruments, as they have been successfully used in the past. The moral aspect (older employees making room for younger colleagues to protect them from long term unemployment) has been kept alive, but political reality in the EU is the reverse, partly as a result of government policy in the framework of the Lisbon Agenda which has a target of at least 50% labour market participation in the 55 - 64 age group by 2010. The challenge therefore is how to keep older workers in the labour market for longer, e.g. until the age of 67. In terms of fiscal support, tax advantages for early retirement schemes no longer exist. Further, more sectoral pension funds faced huge deficits in 2008 as a direct result of the global stock market crash, although they recovered in 2009. Nevertheless, most funds were near, or over, the minimum legal financial obligations at the beginning of 2010. Employees opting for the early retirement during restructuring could therefore pay a high individual price, losing benefit rights and facing lower pensions. Thus, early retirement schemes in The Netherlands have been made less attractive for workers.¹¹³

¹¹² See NBP Spain page 61

¹¹³ Dutch NBP p.45

Reducing the number of workers by means of early retirement may also have disadvantages for employers. If early retirement is offered to workers voluntarily (and if compensation is reduced by, for example, 20%), only higher-paid workers will be willing to leave. This may also imply that workers with higher skill levels are more prone to leave through early retirement than less skilled workers. In several national seminars, it was mentioned that losing older workers often means that companies lose valuable experience and mentoring capacity. In general, early retirement is a measure which is *“skills blind”* and does not necessarily contribute to ensuring a skilled workforce in the longer term.

In the German NBP¹¹⁴, early retirement is regarded as a measure for the past, when early retirement was an appropriate measure for managing restructuring and staff reductions without simultaneously contributing to increasing rates of unemployment (especially among younger workers). In the current situation, it is not regarded as in line with future demographic challenges, including the growing proportion of older workers in the EU. Most importantly, early retirement is a very costly restructuring measure and, since workers are excluded from the labour force (unless they take on jobs in the informal economy), they do not contribute to the welfare system and the pension system. Awareness of this problem has increased in several countries and measures have been taken to limit the use of publicly-funded early retirement schemes in Belgium, France, Germany, The Netherlands and Greece. However, the longer-term consequences that will emerge when the social partners need to find other alternatives for managing restructuring, remains to be documented and analysed further. The developments in Finland to avoid recourse to the use of early retirement schemes can perhaps serve as a good example.

In Finland, an agreement via a National Age Programme introduced several measures to keep people at work for longer. In 1990, Finland had the highest early retirement rate of all the Nordic countries, with an employment rate as low as 47% for men aged 55-64. Finland faces an imminent generation change which, with the post-war generation moving into retirement, will be one of the steepest in the world. To reverse this trend, the government and the social partners agreed on a five-year national strategy, launched in 1998, which aimed to change the attitudes of all stakeholders towards the ageing population by turning it into an asset for society. This was achieved by maintaining workers' health status and working capacity, improving the work environment, promoting partial retirement through employment subsidies, and helping older unemployed people back to work. However, the challenge of ageing is still far from being addressed: according to the Finnish national background paper and work in this area is only just beginning.¹¹⁵

DISMISSAL AND SEVERANCE PAY

In several EU Member States, the regulation of collective redundancies requires employers to award severance pay when making redundancies. Severance pay may be defined as the amount of money an employer owes to an employee in exchange for the employee's agreement to terminate an employment contract. In some countries, for example Denmark and Sweden, severance payments are not legally required, but in collective agreements the social partners can agree to use such measures. In most countries, severance pay is paid by the employer, but in Estonia, the Unemployment Insurance Fund, which is a government agency, subsidises severance payments to dismissed workers.

¹¹⁴ German NBP p.51

¹¹⁵ See Finish NBP p.35

The conditions for severance pay vary between countries. For an overview of severance pay measures identified in the EU-27, see Annex IV Table 7. In some countries, labour law only stipulates that employers should pay what they owe redundant workers in accordance with the employment contract and collective agreements, for example, holiday compensation, bonuses or wages, until the employment contract is formally terminated. The most common requirement is that employers are obliged to pay 1 to 3 months of the previous average salary, dependent on length of service, but in some countries, labour law places higher demands on employers. In France, for example, employers are obliged to pay one-fifth of the monthly wage per year of service, added to which is two fifteenths of the monthly wage per year of service over ten years. In several cases – see for example reports on Ireland,¹¹⁶ Germany,¹¹⁷ France¹¹⁸ or Romania¹¹⁹ – additional payments, of up to 2–3 years' pay, are agreed through collective agreements. Thus, the costs of dismissal in terms of severance pay are considerably higher in some countries than in others.

The purpose of severance payment is manifold. The payment is often regarded as compensation for the harm caused to the worker by the loss of employment. In cases where the level of severance pay is dependent on the length of service of employees, it may also be regarded as a way of stimulating job tenure.

Severance payment also imposes a cost on dismissals, which may discourage employers from using dismissals as a way of managing redundancies and thus provides an incentive to them to consider alternative measures. For example, the Spanish national background paper mentions that the severance payments favour recruitment of workers on fixed term contracts.¹²⁰

The advantages of severance pay from the individual worker's perspective are rather clear. It provides workers with a form of unemployment compensation paid by the employer, which helps to provide a cushion while they seek alternative employment. Severance payments may also have a positive effect on the remaining employees, because it provides a signalling effect that their efforts are worthwhile and that the employer cares for them. However, this effect seems to be valid only in cases where severance payments are paid voluntarily by employers or through collective agreements.

For employers, severance payments can be seen as a relatively easy way of resolving the social tensions involved when redundancies have to be made, but in several national seminars questions were raised as to what extent it is feasible to place additional burdens on employers when they are in a crisis situation. In Lithuania, for example, there have been instances where employers have been unable (or have neglected) to pay severance pay to workers, who found themselves forced to appeal to the labour court. In Portugal, there were concerns that redundant workers have not received the severance pay to which they were entitled.

Another problem with severance payments, acknowledged in the national seminars, is that they limit the attraction of more active measures, such as training or transition services. In the Portuguese and Romanian seminars, it was argued that severance payments do not provide incentives for active job search following dismissal. In Luxembourg, participants argued that dismissed workers, if they had a choice, would prefer financial compensation instead of measures that support job transfer or re-integration in the labour market through training programmes. In some countries, in particular when agreed upon in collective agreements, severance payments are

¹¹⁶ See NBP Ireland page 34

¹¹⁷ See NBP Germany page 35

¹¹⁸ See NBP France page 42

¹¹⁹ See NBP Romania page 40

¹²⁰ Spanish NBP p.36

combined with job transition services or training programmes.¹²¹ However, it is not always easy to persuade workers to choose training instead of monetary compensation in the form of severance payments. This tension was illustrated in a debate at the Irish national seminar. Trade union and employer representatives argued that they often had to persuade employees to opt for the training and a slightly smaller severance payment, instead of receiving the full severance payment. For many, the short-term money option was much more attractive than longer-term options. This illustrates the inherent difficulty in balancing short-term benefits with longer-term ambitions.

DISMISSAL AND TRANSITION TO ALTERNATIVE EMPLOYMENT

In all Member States there are various types of measures to facilitate the transition of dismissed workers to new jobs, the most common of which is job counselling. The purpose of counselling services is to stimulate, at an early stage in the process of restructuring, individuals who are threatened with redundancy to think through their career options and strengthen their chances of finding new employment. Experience shows that the earlier individuals enter such programmes, the better. Such measures are often provided by the public employment services (see Annex IV Table 8 for examples), but the role of the public employment services in cases of restructuring is sometimes limited. As mentioned in the Polish NBP,¹²² programmes organised by the public employment services are addressed exclusively to those who are already unemployed and there are no programmes for people threatened with unemployment. Similar observations were made in Sweden.

There are several examples of employers buying transition services for their employees or of employers and workers organizations providing services to dismissed workers. Often, this goes beyond legislative requirements, or is achieved through collective agreements at national, sectoral, regional or company levels (for further details, see Annex IV, table 9). In several Member States (Sweden, Germany and France), there is an emerging outplacement service industry or private employment agencies that provide such services, but in most countries, this market has not developed owing to the lack of demand for such services. In Bulgaria, for example, there are not enough skills and actors to justify meaningful coaching and guidance for people threatened with redundancy. In Hungary, on the other hand, the government offers a grant to employers to support the creation of demand for outplacement services.

Among the initiatives developed by companies are actions such as voluntary redundancy or a period of voluntary leave from the company. In Ireland, for example, the national airline Aer Lingus operated measures allowing employees to take extended leave from their jobs. At Astra Zeneca in Sweden, there are three restructuring packages available to employees: a redundancy package; a voluntary package; an early retirement package; or a combination of all three. These packages have been negotiated with trade unions through a general agreement, and can be applied whenever there is restructuring within the company. The conditions for employees vary, depending on their length of service in the company. However, it should be noted that selection for these measures is delicate and requires the participation of employee representatives.

Counselling services are often combined with other measures, to support the transition of redundant workers to new jobs. These include various forms of economic support to provide a secure transition to the new job and a range of training activities. There are also examples in Member States of legal regulation of the period after redundancy so as to facilitate the transfer to

¹²¹ Luxemburg Seminar Minutes

¹²² Polish NBP p.31

new employment, such as notice periods or special leave periods, to allow a search for new employment. A particularly interesting example is the legal obligation for employers in Slovenia to offer dismissed employees time off to search for a new job. If employees are dismissed for economic reasons, they are entitled to paid absence from work, during their period of notice, of a minimum of two hours per week.¹²³ In France, workers may, by law and as long as they are covered by a company-level agreement on employment and competence development, take so-called mobility leave (*congé de mobilité*) in order to try and find alternative employment¹²⁴. Similar measures can be found in Sweden, as part of a transition package offered by employers within the framework of collective agreements. In such packages, redundant workers are often completely released from their work duties during the notice period, which can last up to 12 months, during which time the worker can actively engage in job search activities with support from professional coaches.

In some countries, there are legal requirements placed upon employers to set up a social plan or provide outplacement services to redundant workers, as for example in Belgium or the “safeguard plans” in France (See Annex IV Table 9). In Austria, social plans are commonly drawn up at company level, to help alleviate the consequences of restructuring. However, it is far from obvious what such measures should entail, and the experience of several Member States is that legislation may not be effective. The relatively complicated nature of social plans in France makes day-to-day implementation of the law rather difficult. In this context, clarity on what “social measures” are supposed to achieve – that is the transition of workers to new jobs in contrast to passive reimbursement as compensation for redundancy – is necessary. There are, however, recent legislative measures in France, Belgium and Germany that provide more developed frameworks for supporting workers’ transition to new employment following redundancy or for workers who risk being made redundant; for example the *professional transition contract* in France, the *transfer measures* in Germany, and the *special transition units* in Belgium. See Annex IV Table 9 for more details.

Measures to support dismissed workers’ transition to a new job are, however, most often the result of agreements between the social partners and sometimes with contributions or intervention from the State. In France,¹²⁵ an inter-professional agreement has introduced a *personalised transition agreement*, which offers workers affected by redundancy, in firms with fewer than 1,000 workers, psychological and social support, skills assessment, and vocational guidance and training. An interesting example is the “change security” programme, which introduced a new way of managing restructuring in Finland in 2005, including individual counselling for redundant workers and the right to *job-seeking leave* for workers about to be made redundant. Another example is the “March 2009 Pact” in the Netherlands where the social partners, together with the Ministry of Labour, agreed on setting up a network of 33 regional Mobility Centres, with the purpose of guiding employees threatened with redundancy, as quickly as possible, towards another job. These are relatively recent innovations, which means that it is difficult to assess their success and sustainability. There are also examples of similar measures with a longer history that have become an integrated part of labour market policies.

In Germany, social compensation plans are the principal outcome of negotiations at company level between employers and works councils on restructuring, providing a number of measures to help employees find alternative employment. It is reported that in recent years social

¹²³ Slovenian NBP p.39

¹²⁴ French NBP p.29

¹²⁵ See NBP France

compensation plans have become increasingly innovative in the manner in which provisions for retraining and outplacement services have complemented redundancy payments. In particular, so-called 'job transfer schemes' (*Transfermaßnahmen*) have become particularly prominent in recent years. These schemes were first developed as a way of coping with the restructuring that was taking place following the unification of East and West Germany in the early 1990s. Under these schemes, employers offer workers an annulment of their existing open-ended contract in exchange for a fixed-term contract with a third party specifically created for such purposes, a so-called transfer company. In return for giving up legal employment protection by voluntarily entering into a fixed-term contract, workers receive a temporary extension of their employment beyond the notice period, plus outplacement-related services generally delivered by the transfer company. For the employee this is attractive as it avoids, or postpones, unemployment and means that they can have access to immediate and more effective services than those offered by the public employment service; for their part employers are absolved of legal responsibility for their employees.¹²⁶

Another example is the Swedish Job Security Councils, which are based on collective agreements between social partners in a sector or occupational field, such as white-collar workers in the private sector.¹²⁷ The first Job Security Councils were established at the end of the 1970s. Since then, such organisations have been established in most segments of the labour market. Almost half of the Swedish labour force (2.2 million people) is now covered by such agreements.

Box No 12

Job Security Councils Sweden

A Job Security Council is a kind of non-profit foundation which provides support for employees, who have lost their job through collective redundancies in their efforts to find new employment. Job Security Councils are actively involved in the process of restructuring and provide advice and consultation to employers and trade unions at an early stage in the process. They also provide transition services and guidance to workers, who are made redundant. These activities are financed through fees from the companies concerned, which are calculated and expressed as a percentage of the wage bill (0.3% of labour costs).

There are few studies available allowing us to systematically evaluate the success of these activities. Job Security Councils themselves claim, however, that around 80% of their participants find a solution within a period of seven months, and that this number was sustained even during the financial crisis of 2008-2010. This suggests that there is a relatively weak relationship between redundancy and unemployment, perhaps as a consequence of the different activities to enable workers to find new jobs following dismissal. Thus, those who have a job and lose it, are often transferred into a new job within a relatively short period of time. However, this does not mean that redundancies do not lead to increasing unemployment. Unemployment primarily hits those who are entering the labour force – young people, immigrants – or those who have been absent from the labour market for some time owing to sick leave or parental leave.

¹²⁶ German NBP p.46

¹²⁷ The job security councils that administer and facilitate the support are each constituted by a number of boards that in more or less precise terms decide the scope and content of the support that is granted. The boards are made up of representatives from the different partners involved in the agreement. Half of the seats are allocated to employer representatives and the other half to partners representing the employees.

Thus transition schemes, if effective, may help redundant workers into new employment, but they can also contribute to shifting the unemployment problem onto others.

Another problem with transfer schemes is that they frequently do not cover workers on fixed-term contracts, or those provided by temporary work agencies. The special transition units in Belgium, however, extend transition services to workers on temporary contracts, including interim workers, but only if they have a minimum seniority of one year with the company. Overall, however, with the exception of this single example, transition services to non-permanent workers are almost non-existent. Since employers often react to economic difficulties by cutting off the use of temporary workers, this is one of the main problems as far as equal treatment of workers is concerned.

In several Member States, larger employers often set up transition programmes in cases of mass redundancy. Smaller companies do not always have the resources to offer such programmes to their workers. Since workforce reduction often takes place when the company has problems of profitability, this means that resources to help dismissed workers are limited. One of the advantages of the job security councils as a restructuring measure is that they also provide services to SMEs. The Job Security Councils¹²⁸ provide transition services to all workers who are dismissed by employers, who are members of the relevant employers' association. Job Security councils are financed by employers paying a fee based on their labour costs, but the use of the Services is the same for all members of the Job Security Council. Thus the Job Security Councils operate as a form of *insurance system*, distributing the risk and costs of restructuring among their members. In other words this means that workers employed by small and medium sized companies also have access to the transition services.

The comparison with severance payments and early retirement programmes highlights one of the most important potential advantages of transition services in that they aim to motivate redundant workers to find a new job rather than pacifying them into longer periods of inactivity. However, the availability of State-subsidised severance payments and early retirement schemes seems to restrict the availability of transition service providers since the demand for such activities is not available, as the Belgian example illustrates. As mentioned in the Belgian national background paper, authorities have tried to limit the use of early retirement schemes, but the number of workers who have been granted such measures has increased significantly. At the same time, initiatives to support workers' transition to new jobs through outplacement activities have not expanded as expected, despite their success as perceived by the social partners.¹²⁹

Any type of job transition is by definition associated with job insecurity and with negative consequences for the employees. However, in economic terms, job transition does not necessarily mean income insecurity, and there are examples of employers that offer work-free employment during the dismissal period to facilitate searching for a new job with another employer. The case of redundancies at Volvo Car Corporation presented in the Swedish national seminar offers a typical example of how such programmes are designed in Sweden. For further details, see the box below.

¹²⁸ See NBP Sweden page 50

¹²⁹ Belgian NBP section 2.3.2.1

Box No 13**Redundancies at Volvo Car Corporation in Sweden**

In December 2008, 4,616 people were notified that they were redundant and that they were to leave Volvo Car Corporation by the end of the year. Of these, 2,721 were employed in Sweden, 680 were employed outside Sweden and 1,215 were external consultants. The company set up a selection/matching process, clearly communicating end dates and milestones that were not to be changed, even if additional redundancies were announced during the period. There were continuous negotiations with trade unions. When the identification of redundant workers was completed, the transition process began. During the dismissal period, 98% of the dismissed workers were released from their work duties. Dismissal periods varied between one and six months. During this period the displaced workers were offered transition services from the Job Security Councils – TRR for white-collar workers and TSL for blue-collar workers. In September 2009, information provided by the Job Security Councils showed that more than 50% of the redundant workers had found a new job.

[Source: Presentation by Erik Öhman, Volvo Car Corporation, presented at National Seminar for Restructuring in Sweden, 16 September 2009]

However, it must be underlined that a major concern about transition services is related to the question of who should bear their cost, and in most countries, they are subsidised by the State. Why employers should take responsibility for job transition for dismissed workers is not completely obvious. Firms are not necessarily prepared to finance measures to help workers find jobs after they have been made redundant, in particular as the reason for laying off workers is usually to cut costs.

3.3 Training for transition and reintegration

In many respects it seems natural to regard training and education as a highly appropriate restructuring measure. When there is an economic crisis, or economic downturn, it seems natural to use the time to update the skills of the workforce to enable them to be more effective in their current jobs, or as a way of facilitating transfer to new jobs. In many countries, training is seen as a key to anticipating, or accompanying restructuring, avoiding unemployment, or at least promoting a rapid return to the labour market.

Higher education and different forms of vocational training can also provide opportunities to enhance workforce and company productivity on a more general level, through long-term adjustment of the skills levels of the workforce and the adoption of new technologies and production methods. Such programmes are available in several countries, with for example

apprenticeship systems widely developed in Germany¹³⁰ and Austria, but more recently in others. Some Member States – the UK, France, and Latvia among others – have adopted significant reforms in recent years. Furthermore, Portugal has launched several programmes (see chapter 2) and reforms aiming at increasing overall skills levels and the employability of the country's workforce.

Training programmes aimed at updating the skills of redundant workers to help them find alternative employment are available in several Member States. The sources of funding vary, but most commonly the national governments subsidise such programmes. In the Czech Republic, for example, the government funds two programmes – “Educate Yourself” and “Training is a Chance” – aimed at employers, who have to reduce production during economic recession. These programmes can be used in combination with short-time working schemes, partial unemployment or temporary lay-offs. However, many training budgets are under-used and several national reports indicated that it was very difficult to assess training aimed at preventing or mitigating restructuring¹³¹. For example, during the crisis Germany and France schemes were introduced combining short-time working with training, but in France the scheme was not used to a large extent.

Funding for training can be provided in different ways and can target different groups of workers. In Latvia, the public employment services offer a voucher system, which can be used by unemployed workers in different categories. In Malta, the Training Aid Framework provides a fixed amount of financial assistance to companies that invest in the training of their workforce. In the Netherlands, the publicly-funded "From-Work-To-Work" programme provides intermediate training aimed at keeping redundant workers in the labour force. An innovative programme is available in Poland, under which workers threatened with redundancy, are offered training through public subsidies. In Portugal, the Qualification-Employment programme is offered to viable firms experiencing a temporary fall in demand to help update the skills of their workers, and take advantage of unused production hours, on condition that the level of employment is maintained. A similar measure is available in France, but French re-employment leave, aimed at enabling workers in firms employing fewer than 1,000 to benefit from training and services offered by transition units, is funded by the employer. For further details, see Annex IV Table 10.

Very often training is governed by specific bodies set up at national, territorial or sectoral levels. Examples include the Portuguese advisory councils for qualifications, the bipartite sectoral training bodies in the Netherlands, and the UK National Commission to promote employment and skills. There are also national qualifications frameworks and training institutions at territorial level but, as stated in the Irish national background paper, certification systems have to be improved by including redundancy information. Educational standards have been developed in many countries, but in some countries, for example Bulgaria, only a few educational standards are available.

In several countries, procedures and institutions for certification and validation of workers' experience have been developed. In the Netherlands, for example, there is a common practice of upgrading competences learned on the job into vocational skills qualifications. Similarly, some years ago, France introduced formal recognition, or validation, of skills acquired at the workplace. In Spain, a system that recognises unofficial professional experience was introduced, the purpose of which was to contribute, in the long term, to the improvement of skills and competence levels, even if its quantitative impact is negligible. For more details, see Annex IV Table 10.

¹³⁰ See German NBP p.57

¹³¹ See Czech NBP p.37

In Estonia, the Accrediting Prior Experiential Learning (APEL) system aims to evaluate all the knowledge and skills a person has acquired, wherever they were acquired. Developed as part of an extensive European Social Fund project during 2005-2008, the purpose of using the APEL system is to support continuing studies, or to recognise formally the skills the person has acquired. This would also make the person more competitive in the labour market and make their qualifications more visible to employers.¹³²

Throughout the EU, the importance of education and training of workers and lifelong learning is widely recognised. The problem with training programmes as a restructuring measure, however, is that they are difficult to manage. It is difficult to identify the skills needed in the future labour market, and therefore difficult to organise training in a way that maintains an appropriate level of quality. As stated in the Irish national background paper, training is a core activity to be delivered during restructuring, but many questions are raised about its effectiveness and whether existing skills training courses are a good match with the skills gaps identified by employers. Furthermore, even if it were possible to identify the skills needs in the labour market, it is difficult to motivate redundant workers to undergo such training, unless it is in line with their personal development plans. In Romania, participants in the national seminar argued that requalification takes time and is sometimes not correlated with labour force demand in terms of knowledge, skills and competences.¹³³

To be an effective tool for transition to alternative employment, training should therefore be combined with guidance and career orientation services. In Sweden, for example, labour ministries have been more restrictive in offering training as a restructuring measure, in favour of a sharper focus on transfer services and career guidance, which serves as the starting point in a process of individual demand for further training. This shift was a direct result of the outcome of national evaluations of labour market training experience during the 1990s. The evaluations showed that there were problems associated with labour market training programmes. There were several reasons for these problems. One was that training programmes had been used as a way of acquiring eligibility for new periods of unemployment benefits. Another was that individuals participated in labour market training in order to be eligible for education grants. Both of these problems may have indicated that individuals choose to participate in training, even if they are not interested or motivated to do so. There were also arguments relating to the quantity and quality of labour market training, which in turn may have affected participants' ability to enter the labour market. Firstly, in the short term it was very difficult to recruit high quality teachers, develop education plans and invest in educational infrastructure where needed. This means that it was difficult to expand any form of education quickly without affecting the quality. Secondly, large numbers of participants may have an impact on the ability of the public employment services (PES) to identify individuals with the right motivation for training. Non-motivated trainees affect the teachers' ability to train those who are motivated. It is difficult to know whether the same experience translates into the recently adopted training programmes to facilitate transition to new jobs in other Member States. Such evaluations should be a high priority in the future. However, the national background papers and national seminars provide indications of similar experiences. In Cyprus, for example, questions were raised regarding the effectiveness of publicly-funded training courses for workers. It was argued that there was a poor link between the available vocational training and labour market needs. Several countries also report that training was difficult to access, particularly for SMEs and for people with lower qualifications.

¹³² see Estonian NBP p.26

¹³³ see NBP Romania p.76

3.4 Concluding remarks

In this chapter we have described and analysed the measures for managing restructuring available in the 27 EU Member States. The summary table below provides an overview of the different measures and their strengths and weaknesses as debated in the national seminars in each Member State.

Table 3 - Measures to manage restructuring

Measure	Strengths	Weaknesses
Wage and labour cost reduction	Redundancies may be avoided	Difficult to come to agreement with workers' representatives Wage subsidies provide distorted incentive structure for employers
Short time working	Quick adjustment Termination of contracts avoided Recruitment and training not necessary when demand resumes	Reduced income for workers Long term effects not clear Redundancies cannot be avoided Risk of postponing redundancies
Partial unemployment	Quick adjustment Termination of contracts avoided Recruitment and training not necessary when demand resumes	Reduced income for workers Long term effects not clear Redundancies cannot be avoided Risk of postponing redundancies Risk of misuse
Temporary lay-offs	Quick adjustment Termination of contracts avoided Recruitment and training not necessary when demand resumes	Reduced income for workers Long term effects not clear Redundancies cannot be avoided Risk of postponing redundancies
Early retirement	Quick adaptation Can be regarded as compensation for long tenure	Risk of losing skilled employees Passive measure High costs Negative effect on pension system
Dismissal and severance pay	Can be preferred by workers	Passive High costs for employers when least able to pay Reduces attraction to activating measures
Dismissal and transition to new job	Activates workers Unemployment can be avoided	Limited coverage and availability in Member States Temporary workers excluded Costly for employers

Measure	Strengths	Weaknesses
Training for transition and re-integration	Increase employability Prepare for future jobs Funding often available	Not always well perceived by employers and employees Lack of adaptation (time, access, methods, contents) Costly for employers Redundant workers are not always motivated to take part in training

A few general observations can be made regarding the potential for translating the lessons learned from these measures across Member States. Firstly, while a wide range of measures for managing restructuring has been identified, the availability of these measures is uneven across Member States. As the analysis above has shown, the availability of measures to manage restructuring is limited to traditional active labour market policy measures in some countries, while other countries have a relatively well-developed toolbox of measures available in support of any form of restructuring, which provide many alternatives for employers and social partners to choose from when implementing their activities in practice. There is the potential for transfer of experiences from Member States with more developed toolboxes for restructuring, but this should be done with caution. As the analysis has shown, several measures have been adopted relatively recently and, at the time of writing this report, it is still too early to draw conclusions on the longer-term consequences of these measures.

Secondly, Member States differ in terms of the types of measures they adopt. In the majority of countries, priority is given to measures that aim at avoiding redundancies, such as short-time working, partial unemployment and temporary lay-offs. A few countries prefer measures that stimulate job transition for workers following dismissals, and some are moving towards developing such measures to a greater extent. There are sensitive processes involved in creating social acceptance of the measures adopted, and in some countries, it is more difficult to generate such acceptance than in others. It is therefore not an easy task to transfer experience from one country to another. In fact, suggesting such transfers may create the opposite effect. However, as indicated in section 3.2, the withdrawal of early retirement schemes in some Member States, as the dominant mechanism for adapting to economic downturns, may create a suitable climate for searching for new and alternative measures to mitigate the social consequences of restructuring.

Thirdly, the degree of State involvement in restructuring varies greatly among Member States, and this difference is perhaps the most important obstacle to transferring restructuring experiences between Member States. In several Member States, governments and public authorities intervene through extensive regulation or public subsidies. In other Member States, public subsidies and regulations are not present to the same extent. Instead, responsibility for measures for managing restructuring is left to the social partners to decide upon. Successful measures developed and implemented in interventionist Member States may be difficult to transfer to non-interventionist Member States and *vice versa*. It should be noted, however, that in many Member States Government support for measures for managing restructuring is offered to employers on condition that there is an agreement with workers' representatives. Such practices could contribute to further social dialogue on restructuring, if applied in other Member States, which in turn could initiate a process of further dialogue on how measures could be improved and developed. Our analysis of the different measures available for managing restructuring in this chapter could perhaps contribute to furthering such dialogue. In the next chapter, we will go on to discuss some of the dilemmas and emerging issues identified in the Member States.

After having analysed how restructuring is taking place throughout the EU, and how it is anticipated and managed in the 27 Member States, this chapter will focus on dynamics, trends, debates and dilemmas.

Restructuring is a very sensitive issue, involving a range of interests, practices and conflicts. However, it is not a new issue, even though it is perceived as such in some countries. Actors have changed their views on restructuring over time, and frameworks and measures for anticipating and managing restructuring have been modified or renewed. Bearing this in mind, this chapter will consider first the main trends in the principal actors' strategies – companies, public authorities, social partners and territories. It will then focus on the main debates taking place on the available measures and frameworks before highlighting some emerging issues.

4.1 Practices and strategies of the main actors

COMPANIES FACING RESTRUCTURING: MAIN CHALLENGES

The national seminars in this project have demonstrated that companies are under pressure to restructure. But they have also shown how effective and innovative companies can be in developing actions for managing and, to a smaller extent, anticipating restructuring.

The analysis of the 88 case studies¹³⁴ reported in the 27 Member States, and mainly limited to large companies, reveals that to be efficient, anticipation and management of restructuring postulates a collective design and refers to a whole process, involving tripartite dialogue. It requires among other things:

- good management and communication,
- trust and effective social dialogue mechanisms,
- good institutional frameworks,
- good and timely availability of data,
- access to extended and convincing transition services, as well as to public funding, including EU funds like the European Social Fund or the European Globalisation Fund.

The analysis also highlighted some weak points. These are related primarily to the lack of adequate monitoring systems to ensure reliable data concerning impacts. There is a lack of sustainability in support for the existing tools for forecasting labour market trends, and appropriate instruments are required for supporting the ability of SMEs to anticipate economic trends.

Most case studies show the importance of three crucial factors:

¹³⁴ See Annex III and Annex V

- social dialogue as a key tool for consultation, information and good communication between employers and employees. However, the case studies were mainly limited to large companies.
- good coordination and information-sharing with institutional actors. Public and private actors need to work more closely together. Employers organizations, workers' representatives, trade unions, national and regional authorities and public employment services must cooperate.
- a strong territorial partnership with stakeholders. Territorial partnership involves local actors, outside the company but inside the territory, which play an important role in mitigating the effects of redundancy. This appears to be the most common approach, proving that the anticipation strategy is not a mere company issue but becomes a community concern.

For more information on the main lessons learnt from case studies on Anticipation and Management of restructuring, please refer to Annex III and Annex V.

History, culture, industrial relations and legal frameworks play important roles in determining the incentives and the constraints that confront employers and greatly influence company practices during restructuring.

In Sweden, for example, the structures of collective agreements are important for understanding the role of employers in restructuring. Employers that are bound by collective agreements, must inform and consult with trade unions on any significant change in the company with an impact on the workers. This is the starting point for any collective redundancy. The Employment Protection Act further stipulates how redundancies should take place, primarily through provisions on selection criteria, which are semi-compulsory. However, since the application of these rules often means that employers must dismiss those workers who were most recently employed, employers have a strong incentive to sign agreements with trade unions on alternative ways of selecting workers for redundancy. If there is no agreement with trade unions, the employer has to follow the seniority rules. This barrier is often overcome by offering extended notice periods to workers being made redundant, and providing them with transition packages including job search, training and counselling.¹³⁵

In Germany¹³⁶, labour law is so complicated that legal advice is often indispensable. Labour judges estimate that about 20% of dismissals contested in court lack social justification because of deficient observance of social criteria in the selection process. Whereas in 40% of such cases where works councils had voiced an objection, this was legally ineffective because of lack of evidence or corroboration. Such legal complexity gives rise to complaints by employers and disillusionment of employees, who thought that they were legally protected, but then find that this is not the case. Without such constraints and uncertainties, however, there would be far less of an incentive for employers to negotiate voluntary, and perhaps find innovative solutions, in the quest for reduced legal complexity and procedural risk, and maybe also less incentive for employees to accept the transfer deals offered to them.

¹³⁵ See Swedish NBP p. 46

¹³⁶ See German NBP p. 42

In contrast, in Poland and most of the new Member States, models for managing restructuring are relatively new, and it sometimes seems that the legislation in place is too complicated, making restructuring seem more threatening instead of supporting it.¹³⁷ In Greece, restructuring has been different from that in most other EU countries largely because the Greek economy is based on SMEs; there is usually no integrated planning prior to restructuring and no substantial social dialogue. Consequently, measures and policies to mitigate the social cost of restructuring, have been very limited.¹³⁸

Box no. 14

Small and Medium-sized Enterprises (SMEs)

National background papers and national seminars' minutes stress a gap between large companies and SMEs as regards anticipation, social dialogue practices and the support given to workers when made redundant. Main restructuring models fit large companies but are not appropriate for smaller ones, which do not enjoy instruments and frameworks able to assist them, especially in terms of anticipation. In the case of SMEs, the most common practice is the award of severance payments and financial compensation, whereas in large companies the focus is more on re-employment, training and active labour market measures. National background papers for most countries have mentioned several initiatives targeting SMEs in order to support them in terms of innovation, technologies, education and training, and access to external expertise. However there is a persistent lack of differentiation in the policies and support instruments by type of enterprise (size and class, but also sector or ownership structure), and many national seminars stressed that more focus should be directed towards restructuring in SMEs, particularly small and micro-firms.

Some countries¹³⁹ such as Belgium, Bulgaria, Ireland, Hungary and Poland also mentioned the role of foreign companies and multinationals. Many of these companies are standard setters for restructuring practices, in terms of social dialogue and of social and employment measures. However, the dissemination effect among national or domestic companies appears to be quite low. Furthermore, the national seminar in Ireland stressed the low level of trade union recognition and employee consultation in many US-owned multinational companies.

Many of the national seminars featured a debate on company responsibilities. Companies argue that they should have the right to restructure to increase their competitiveness; to that end, being burdened with extra costs is counterproductive. Even so, the social partners and public authorities ask employers to act responsibly. These debates were illustrated in several national seminars, where employers complained about restructuring costs and the length of procedures – among others Belgium, Bulgaria, Slovenia and France.¹⁴⁰ The debate also touched on employers' responsibilities and cost sharing; that is to say whether part of the restructuring costs ought to be met by public authorities, and whether employers should be responsible for the reclassification and re-employment of workers. It is not easy to draw the line between company and public responsibility, particularly in countries with well-developed social welfare and support frameworks.

¹³⁷ See Polish NBP p. 5-6

¹³⁸ See Greek NBP p. 41

¹³⁹ See Belgium NBP section 3.8, Bulgarian NBP p.41, Irish NBP p.22, Hungarian NBP, p.55, Polish NBP p. 64

¹⁴⁰ See national seminar minutes and also Belgian NBP section 5.7 French NBP p.60, Slovenian NBP p.62

SOCIAL DIALOGUE: CRUCIAL BUT UNDER PRESSURE

All of the 27 national background papers underlined the role of social dialogue. Deeply rooted in countries such as Denmark, Sweden, Austria and the Netherlands, it is a more recent development in countries such as Estonia, Latvia, Lithuania and some other Member States¹⁴¹ where it has not yet become a part of the socio-economic setting at national level, and is even less important at enterprise level. But in many countries, social dialogue is playing an increasing role, and its contribution to the design of anti-crisis packages in many countries has been extremely significant.¹⁴² According to the Slovakian national background paper,¹⁴³ representatives of both employers and trade unions considered bargaining an acceptable price for achieving social peace, which is of particularly high value to employers during an economic crisis. Furthermore, as stated in the Spanish national background paper, the efforts made and responsibilities taken up by both parties to reach agreements combining necessary short-term measures and long-term strategies beyond the recession, are clearly in evidence, regardless of the difficulties.¹⁴⁴ On some occasions, the social partners have taken autonomous initiatives, such as setting up consultancy centres for employers, and other bodies for employees facing restructuring.¹⁴⁵

Used mostly to mitigate the social effects of restructuring – from severance payments to active re-employment and retraining schemes – social dialogue is also a tool for anticipation and preparation. It addresses issues such as observatories¹⁴⁶ and forecasting tools, life-long learning schemes, and comprehensive flexicurity systems such as that in Denmark.¹⁴⁷

For social dialogue to be really effective, the social partners need to develop a degree of mutual trust, and many countries show a tradition of social dialogue at company, regional and national levels. This facilitates discussions between employers' and workers' organisations on restructuring. Some national background papers stressed that at national level, social dialogue was still either under-estimated (e.g. Czech Republic,¹⁴⁸ Latvia¹⁴⁹), or it lacked cooperation between the social partners and the public authorities (for example Estonia,¹⁵⁰ Poland,¹⁵¹ Romania),¹⁵² or it was heavily stressed by the crisis (Ireland,¹⁵³ and very recently Spain). According to the Hungarian seminar debates,¹⁵⁴ some labour law changes may have adverse effects on collective bargaining.

¹⁴¹ As stated for example in the Portuguese NBP, p. 65, "social dialogue at macro, meso and micro level does not take always take place"

¹⁴² See for example the Dutch Labour Foundation agreement, NBP p. 77

¹⁴³ See Slovakian NBP p. 50

¹⁴⁴ See Spanish NBP p. 81

¹⁴⁵ See Lithuanian NBP p. 42

¹⁴⁶ See for example the Danish NBP p. 30, the Insurance observatory in France, NBP p.30

¹⁴⁷ See Danish NBP, chapter 2, p.25

¹⁴⁸ According the national seminar's minutes

¹⁴⁹ See Latvian NBP P. 33

¹⁵⁰ See Estonian NBP p. 20

¹⁵¹ See Polish NBP p.63

¹⁵² According national seminar's minutes

¹⁵³ See Irish NBP p. 39,2.3. The effects of the economic crisis on social partnership

¹⁵⁴ See national seminar's minutes

At sector level, national background papers mention new agreements on short-time working, partial unemployment¹⁵⁵ or temporary lay-offs to address the crisis, as described above in Chapter 3 (p.42 to p.49). Other outcomes are related to training, like the implementation of a counter-cyclical worker retraining programme in the Dutch construction sector as part of bipartite sectoral training funds.¹⁵⁶ In Italy, the social partners have developed sectoral approaches, both in crafts by setting up specific welfare institutions, and in the banking sector through a special fund to manage corporate crises.¹⁵⁷ Other countries, such as Portugal, Hungary and the UK,¹⁵⁸ have indicated a lack of social dialogue, especially during restructuring. At regional level, only a few countries mention social dialogue initiatives. Hungary,¹⁵⁹ Italy and Greece have territorial employment pacts (see Chapter 2, p. 30-31), while Lithuania¹⁶⁰ has tripartite regional councils.

At company level, a sound information and consultation process, as required and strengthened by EU and national legislation, has to take place. Many case studies show how effective this can be in the context of restructuring. As described in Chapter 2 (p.34-37), this is a very useful tool for anticipation and for information exchanges, while the importance of good communication between employers and employees in the period leading up to restructuring, and during the process of managing it at company level, was emphasised in many national seminars (for example, Bulgaria, France, Slovenia, Malta, and Cyprus among others). France has developed methodological and human resource planning agreements,¹⁶¹ the latter having led to several hundred company agreements, albeit with mixed results and uneven implementation.

However, lack of compliance with this informing and consulting process is evident in several new Member States,¹⁶² but also in countries such as Greece and Portugal, where it is reported that trust is absent. When it comes to more strategic anticipation at company level, there are still many difficulties related to sharing of information and acting in a timely manner. According to the Irish national seminar minutes, more social innovations are needed in industrial relations. This is particularly true for issues such as:

- atypical and vulnerable workers, who are excluded from most agreements addressing restructuring (see section below)
- dual schemes for insiders and outsiders in the labour market
- unequal treatment between large and small companies, including subcontractors and outsourcing.

As stated in the Swedish NBP, some problems are not easily left to the social partners to handle.¹⁶³ Therefore, although social dialogue is crucial, the crisis has revealed some limits and challenges. Furthermore, in the context of a move towards more decentralised collective bargaining at company level in most countries, it is unclear whether social dialogue will really be able to address structural changes.

¹⁵⁵ See examples of the collective agreements in the metallurgy sector: on partial unemployment and training in the French metallurgy sector, French NBP p.33, on temporary lay offs in Sweden, NBP Case 5 p. 62

¹⁵⁶ See Chapter 2, box 6 p. 32

¹⁵⁷ See Italian NBP p. 46

¹⁵⁸ As mentioned in the UK NBP, p. 12, "in the Workplace Employee relations survey only 3% of workplaces reported negotiations over staffing plans, while 12% reported consultation and 11% information"

¹⁵⁹ Territorial employment pacts based on the Austrian model, see Hungarian NBP p. 34

¹⁶⁰ According national seminar minutes

¹⁶¹ As developed above in Chapter 2, p. 35

¹⁶² See Bulgarian NBP p.60, Estonian NBP p.46, Hungarian NBP, p.55, Slovakian NBP p. 46, Slovenian NBP p. 62,

¹⁶³ See Swedish NBP p. 67

STATE INTERVENTION: A COMEBACK?

Before the crisis, many countries had introduced policies aimed at developing a business friendly environment. These included infrastructures and tax incentives for research and development intended to improve competitiveness and support SMEs. As described in chapter 2 (p.29-30), Member States, as well as large companies, developed specific measures

- to encourage innovation and to attract investment prior to, during or after restructuring¹⁶⁴
- to support SMEs¹⁶⁵ by subsidised lines of credit in Portugal, in targeted programmes in Hungary, through extensive promotion of entrepreneurship in Latvia, and through a national agency in Slovakia
- to support new businesses and self-employment¹⁶⁶ mainly through subsidies, financial incentives and technical assistance as mentioned in many countries (e.g. Austria, Bulgaria, Germany, Greece, Hungary, Italy, Slovakia).

However, with some exceptions, there was little or no direct support offered to companies and employees hit by restructuring. The crisis modified the situation in many countries (with a few exceptions such as Sweden and the UK). Tax, economic, financial and labour market policies and measures aimed at maintaining companies and retaining jobs were introduced or extended, as in, for instance, Austria, Slovenia, France, Ireland, Latvia, Hungary, Poland and Portugal.¹⁶⁷ In terms of anti-crisis measures, some public works programmes have been established, especially those targeting the unemployed (particularly long-term) in countries such as Latvia, Estonia and Romania. With regard to anticipation and management of restructuring, many of the available instruments – particularly in the new Member States – are more project-based (e.g. ESF-funded or under the EQUAL initiative) than designed as continuously available instruments. Therefore the sustainability of funding becomes a critical issue, especially with current cuts in public expenditure.

As extensively described above in Chapter 3 (p.42-45), short-time working schemes, called partial unemployment in some countries such as Poland and France, have been widely used or introduced during the crisis. Already in existence prior to the crisis in countries such as Austria, France, Germany, Belgium, Luxembourg, the Netherlands and Italy, they have been greatly extended to many others (such as Hungary, Latvia, Malta, Poland, Portugal, Romania, Slovakia and Slovenia) but only to a limited extent in countries such as the UK and Sweden. Under these schemes the State temporarily subsidises both companies and employees' wages.

These temporary schemes, most lasting from 6 to 24 months, tend to raise more questions than answers, for example:

- What use can they be for companies that need help beyond those time limits and where the crisis is ongoing?

¹⁶⁴ See Annex II part 1 Tables on innovation and investment attraction initiatives: for example French poles of competitiveness, Latvian programme for innovative enterprises, Maltese incubation centres or Luxembourg promotion of clusters and developments in Chapter 2, above p. 29-30, about attracting investment and encouraging innovation

¹⁶⁵ See Annex II part 2 Tables on SME support

¹⁶⁶ See Annex IV, Tables 16 Support to self-employment

¹⁶⁷ See Austrian NBP p.54-56, French NBP p. 32-33, Hungarian NBP p.41 - 38, Irish NBP p. 34 Polish NBP p. 46-50, Latvian NBP p. 27-28, Portuguese NBP p.35-37, Romanian NBP p. 51-52, Slovenian NBP p.27-28, Spanish NBP p. 45-50

- How can they be effectively combined with vocational training?
- What access do SMEs have to these schemes?
- How sustainable are these schemes in the context of new phases of the crisis and the impact of adjustment plans?
- Some countries, such as Sweden, have also raised the issue of their ability to cope with structural changes: to what extent do these schemes maintain economic activity on an artificial basis, and do they block investment in new businesses?

Finally, debates on State intervention in the economy were held in several national seminars. In some countries, the State was quite reluctant to intervene, for example in the Netherlands, Sweden and, traditionally, the UK. In others, such as France, Italy and Spain, the national seminars mentioned the need for renewed industrial policies in terms of innovation, but also in terms of modernisation and capacity to anticipate further changes. Because of the crisis, the role of the State in addressing restructuring has changed, at least temporarily. For the future, key debates revolve around the degree to which the State or public authorities should intervene directly in restructuring exercises, or whether they should be limited to more general goals of improving employability among the working-age population.¹⁶⁸

PUBLIC EMPLOYMENT SERVICES: INNOVATIVE BUT STILL FAR FROM COMPREHENSIVE

Public Employment Services (PES) have different features throughout the EU. In many countries they act under national government supervision; in other countries – for example Finland, Italy, Denmark, Spain and Germany – employment services are decentralised to regional or local governments, and national measures are implemented through them. This section examines the kind of role they play in restructuring and the type of services that they offer.

The PES in some countries receive early warnings or advanced notification from companies (e.g. in Austria, Estonia, Germany, France, Ireland, Lithuania, Poland and Slovenia¹⁶⁹), and set up measures to cope with restructuring. In other countries, the PES develop specific tools related to restructuring and the crisis. Examples are the change security services within the Finnish PES,¹⁷⁰ using special experts; the employment services at the site of a restructuring enterprise as established in the UK; and the response services to collective redundancies set up in Hungary and Estonia. Despite the fact that many PES have updated their methods and offer a range of services including counselling, career guidance, work trials, training, retraining, geographical mobility incentives, and individual job plans,¹⁷¹ most have not developed specific tools related to restructuring until recently. Therefore, there is a lack of specialisation and specific resources designed to address these situations, and a lack of time to act at an early stage, as stressed in the Danish situation. In some countries the crisis has led to cuts in PES expenditure (in Latvia, for example¹⁷²).

¹⁶⁸ As stated in the UK NBP p. 5

¹⁶⁹ See Annex II part 1, tables related to early warning systems

¹⁷⁰ See Finish NBP p. 33

¹⁷¹ See Chapter 3 p. 48-49 and Latvian NBP p.18

¹⁷² See Latvian NBP p. 35

The crisis has also led to the launch, or extension, of new initiatives, as described in Chapter 3¹⁷³ (p.52-57): for example the contract for occupational transition in selected French territories, and the promotion of regional mobility centres and measures in several countries such as the Netherlands.¹⁷⁴ Increasingly, PES, especially at regional or local levels, are involved in multi-stakeholder partnerships including private employment services in an effort to address restructuring. This is the case, in particular, for the Netherlands. But this trend is still not particularly widespread. The preventive role of PES is still limited, and in most countries, PES policies and activities are focused on workers who have already been made redundant, or who are unemployed. Although several countries,¹⁷⁵ (e.g. Belgium France, Germany, Sweden) show how fruitful cooperation can be established between private and public bodies,¹⁷⁶ job-to-job solutions still need to be developed. This may be a reason why private outplacement services are developing in countries such as Sweden, Germany, and France, and more recently in Spain, Poland and Hungary.¹⁷⁷ Owing partly to the opening up of the placement market to new players, but also to the absence of appropriate PES services related to restructuring, these private services are often used by large companies, or are associated with PES schemes. This new market also raises the issue of quality assessment, as mentioned in the German and the Polish NBPs.¹⁷⁸

Restructuring has been and remains a challenge for most PES. Issues that remain unresolved include their role in relation to the outplacement industry, and how restructuring can influence their methods and tools to make them more preventive, or even proactive.

LOCAL AND REGIONAL ACTORS. DYNAMICS AND LIMITS

According to most NBPs, territorial initiatives are now proliferating: most regions, local communities and territories have adopted local and regional development strategies with a range of different aims, such as:

- the need to react to a shock, particularly in mono-industrial regions or territories dominated by one company or a very small number of large companies that are undergoing massive restructuring or even closing their operations. France has experience of 400 revitalisation contracts¹⁷⁹ signed between restructuring companies and regions, and Poland has special economic zones¹⁸⁰
- the need to define economic strategies so as to be in a position to prepare local communities for new businesses and activities, (e.g. Italy, France, Germany, Spain, Sweden and to a certain extent the UK) with regional and local forecasting and networking tools, especially in Nordic countries as described above in Chapter 2 (p.22-23)

¹⁷³ See section Dismissal and transition to a new job Chapter 3, p. 48-52

¹⁷⁴ See Annex IV, section 3.9. Tables on Dismissal and transition to a new job

¹⁷⁵ See Belgian NBP on reconversion cells section 4.1.2 French NBP p. 43, German NBP p.45, Swedish NBP p.55

¹⁷⁶ This includes also trade union practices in setting up employment offices like in Cyprus, see NBP p. 36 or reconversion cells like in Wallonia, see Belgian NBP section 5.4.1

¹⁷⁷ In Hungary, “New Prospects”, the third National Employment Fund programme, is open for companies that make efforts to make the redundancy procedure humane. The programme is designed to encourage outplacement by specific subsidies because it is not a practice in Hungary yet.

¹⁷⁸ See German NBP p 53, Polish NBP p. 64

¹⁷⁹ See French NBP p. 47-48

¹⁸⁰ See Polish NBP p. 57

- the need to coordinate stakeholders at territorial level in order to make economic and employment strategies more effective. Examples include regional mobility centres in the Netherlands, the employment houses in France, and the territorial employment pacts in Italy and Greece¹⁸¹
- new competences given to regions or municipalities, for example in Denmark¹⁸².

In some countries, such as Bulgaria, Romania, Hungary, Portugal, Czech Republic and Lithuania, this process has just started. While the Lithuanian NBP stated that regional development plans have little to do with anticipating restructuring,¹⁸³ in Hungary, the lack of regions with the capacity to manage employment policies, despite a common interest for universities and companies to cooperate in industrial clusters, was stressed.¹⁸⁴ The UK NBP¹⁸⁵ made a clear distinction between the devolved regions of Wales and Scotland, on the one hand, where proactive policies have begun, and the rest of the country where the future of regional development agencies seems precarious.

What most of those proliferating experiences have in common is – in order to be more efficient – a need to foster partnerships at local level, to coordinate many different actors and stakeholders (particularly proactive cooperation between companies and the PES), and to develop measures that can be applied locally.¹⁸⁶ However, territorial policies on restructuring are facing several challenges, such as:

- a lack of capacity to act (competences, funds, forecasting and monitoring tools), and in some countries unclear responsibilities in the context of restructuring;
- a complex division of tasks between national, regional and local levels on the one hand and, on the other hand, the weakness of territorial social partners due to the fact that social dialogue is mainly structured at national, sector and company levels;
- the ability to combine medium- and long-term development strategies, which link up with responses to short-term crises and create concrete solutions for companies and employees.

SECTORS AND RESTRUCTURING: TOWARDS RENEWED APPROACHES?

Sectoral policies do not appear to be a major concern in many countries, but some countries signal significant initiatives as described in Chapter 2 (p.30). In Spain sectoral restructuring has been the object of specific attention in the textile industry,¹⁸⁷ where rationalisation and reorganisation plans agreed with the representatives of the sector's social partners have been established. Public aid has created instruments for agreements and participation, such as monitoring centres and other support measures (for example training, technical and business modernisation, product diversification, and

¹⁸¹ See Chapter 2 p. 8- 9

¹⁸² See Danish NBP p. 31-32

¹⁸³ See Lithuanian NBP p. 57

¹⁸⁴ See Hungarian NBP p. 52

¹⁸⁵ See UK NBP p. 21 and 29

¹⁸⁶ See among other examples, Belgian and French "cellules de reclassement/reconversion", Austrian "Arbeitsstiftungen", French "pôles de compétitivité", German regional labour pools and "Transfergesellschaften"

¹⁸⁷ See Annex II part 1 tables on sectoral initiatives and Spanish NBP p. 65-66

improvements in trade and distribution). In Cyprus,¹⁸⁸ initiatives have been agreed between the government and the main stakeholders in the tourism industry to adopt measures, including price and tax cuts, to stimulate more tourist arrivals after a sharp fall in 2009. The Czech Republic has adopted a targeted programme in the steel sector.¹⁸⁹ In Bulgaria, sectoral strategies have been launched in the machine building industry and electrical engineering.¹⁹⁰ The Netherlands has examples of sectoral and generic initiatives (e.g. partial unemployment benefits). France has launched economic and social initiatives for the automotive sector, and Ireland, Luxembourg and Greece have highlighted how unequal sectors are in terms of forecasting, social dialogue tools and anticipation practices.¹⁹¹

Therefore, it may be that sectoral restructuring policies are limited to traditional industries such as steel, textile and shipyards. However, the crisis might lead to renewed approaches, both at economic level – where innovation has to be supported – as well as at the social level. It may be that social dialogue, traditionally strong at sector level,¹⁹² could be used better, and more widely, as a way of addressing restructuring in more depth and with more tailor-made instruments, as well as improving the involvement of SMEs.

GROUPS AT RISK: UNEQUAL TREATMENT?

Employment protection was discussed in all the national seminars. Many national background papers mentioned vulnerable groups such as young people (for example in Bulgaria, Germany, Malta, Finland, Slovenia), older and younger people as well as disabled people (Denmark), young and foreign workers (the Netherlands, Sweden), self-employed workers (Poland, Greece), and workers with fixed-term contracts (Portugal, Spain). Many of these debates emphasised a double risk due to the selective effect of restructuring. In many countries, early retirement has been, or still is, a common practice: older workers are leaving companies and labour markets, leading to a loss of experience and know-how. On the other hand, restructuring involving downsizing often leads in the first instance to the termination of fixed-term and short-term contracts,¹⁹³ as well as agency workers, which has an impact on young workers, who are over-represented in those categories.¹⁹⁴ Many countries¹⁹⁵ have adopted programmes in support of these groups, especially young people, but these programmes target those who are unemployed. Some countries, for example Portugal, give a special exemption from the payment of social security contributions to firms that hire workers under the age of 36 on open-ended contracts, if several conditions are satisfied. Other countries, such as Poland¹⁹⁶ and France, have developed measures and

¹⁸⁸ See Cyprus NBP p. 28

¹⁸⁹ See Czech NBP p. 43-46

¹⁹⁰ See Bulgarian NBP p. 41

¹⁹¹ See Luxembourg NBP p.46, Ireland and Greece national seminar's minutes

¹⁹² Except in most new Member States

¹⁹³ As stated for example in the Spanish NBP p.35, French NPB p. 53, Polish NBP p.21, UK NBP p.8

¹⁹⁴ As stated among many examples in the German NBP p. 19

¹⁹⁵ See Annex IV Table 12 Support to specific groups with many examples like the Employment aid programme in Malta, the Action Plan Youth Unemployment in the Netherlands, the Portuguese measures to support employment of workers with low wages, the Slovakian support to vulnerable groups of job seekers, the Young persons guarantee in the UK, the Emergency plan for the hiring of unemployed in Cyprus and many subsidies to employers to recruit unemployed like mentioned in Estonia or Lithuania among others

¹⁹⁶ See the Polish government programme "Solidarity of generations", NBP p. 37 or the French policy on seniors, NBP p. 42

programmes targeting older workers (50+). However, there is still no evaluation of the impact of these incentives that would facilitate an assessment of their effectiveness.

These categories of workers are vulnerable, not only because they have to leave their job, but also because many of them do not enjoy the same support, the same packages, or the same transition opportunities as other employees. In several countries, if a worker is not directly employed by a company undergoing restructuring, which is the case for most agency workers, or if a worker is not being made redundant in official legal terms, then the worker does not benefit from most of the social packages, or the social plans, drawn up to help redundant workers¹⁹⁷ (this is the case in countries such as Germany, France, Belgium, Spain, and the Netherlands). The same is true of transition tools such as transfer companies or replacement units, and also of unemployment benefits, in relation to which they are subject to minimum length of service and contribution levels that make many of these workers ineligible for benefits. Some reforms of unemployment benefits systems have taken place, and some pilot programmes are taking place to ease access to transition schemes, but the coverage of these measures is very limited.

For 20 years, the EU has been trying to promote new types of employment contracts with appropriate frameworks. But in most countries, legal and social frameworks that address restructuring are lagging behind this development when it comes to managing redundancies. They mostly, and sometimes exclusively, take into account open-ended employment relationships. Therefore whenever restructuring takes place, the issue of unequal treatment remains very sensitive, and this issue has been thrown into sharp relief by the recent economic crisis.¹⁹⁸

¹⁹⁷ See for example Belgian NBP, section 5.7 and 59, French NBP p. 40 and 53, Dutch NBP p. 46, Spanish NBP p.11

¹⁹⁸ With redundancies understood as terminations of open-ended contracts, leaving aside other kinds of terminations: agency work, fixed term contracts etc...

4.2. Frameworks and measures

RESTRUCTURING WITHOUT REDUNDANCIES: INTERNAL VERSUS EXTERNAL FLEXIBILITY

Using internal flexibility to address restructuring was a popular tactic in the 1990s. Favoured by trade unions, relying on their capacity to act and to influence company decisions, and supported in many countries by legislation or case law – see among others the Belgian, Estonian, French, Lithuanian, Luxembourg and Slovenian national background papers¹⁹⁹ – such flexibility aims to make redundancies a last resort, and requires employers to check first for alternatives to dismissals. As developed in Chapter 3,²⁰⁰ this can be achieved in different ways such as:

- development of internal and even sectoral labour markets (as in Germany²⁰¹), using training, internal labour exchanges, work sharing agreements, and job rotations (as in Denmark²⁰²), or working time accounts (as in Austria, Germany and to a certain extent Slovakia²⁰³);
- reduction of working time, including extended short-time schemes, which have proliferated due to the crisis, but also temporary suspension of employment contracts, and temporary lay-offs;
- labour cost adjustments such as pay freezes or cuts, although these are controversial when they occur.

However, internal flexibility is less favoured by employers, who find it less convincing and sometimes not feasible. In countries²⁰⁴ such as Greece, Spain, the UK and many new Member States, internal redeployment is not a common practice. On the other hand, this does not preclude, external flexibility measures which are much more developed. Saving jobs, or saving people, is a dilemma that appears to be crucial throughout the EU, with most countries²⁰⁵ being unable to present convincing outcomes for any single option.

TRAINING AND EDUCATION: THE RIGHT TOOL?

As was seen in chapters 2²⁰⁶ and 3²⁰⁷, training has been favoured for both anticipation and management of restructuring. Overall, throughout the EU, the importance of education and

¹⁹⁹ See Estonian NBP p. 18, French NBP p. 39, job retention plan in Luxembourg NBP p.21-22 Lithuanian NBP p.18, Slovenian NBP p.23-24

²⁰⁰ See Chapter 3, section 3.1.Measures to avoid redundancies, p. 41-49

²⁰¹ See Cologne University Hospital case in Chapter 2, box 9, p. 36 and German NBP, section 6, p. 39

²⁰² As explained in Danish NBP p.33-34

²⁰³ See here the Flexikonto, as described in Chapter 3, box 10. p. 43

²⁰⁴ See among others Greece NBP p.39, Spain NBP p.85, Bulgaria NBP p. 56 Czech NBP p. 22 Hungary NBP p. 55, Poland NBP p.64-65 UK NBP p.29

²⁰⁵ With the exception, to a certain extent, of Denmark and Sweden

²⁰⁶ See Chapter 2, p. 33-34

²⁰⁷ See chapter 3, section Training for transition and re integration p. 57-59

lifelong learning is widely recognised. Training, skilling and reskilling are seen as key to anticipating or accompanying restructuring, in order to avoid unemployment or to facilitate a rapid return to the labour market. Training policies have been developed and extended significantly, in particular during the crisis, and encompass a complex set of actors, frameworks and budgets in all Member States. There are many examples such as: financial support, reforms of vocational training,²⁰⁸ validation of skills acquired during training or at the workplace,²⁰⁹ bodies in charge of designing, implementing and monitoring training systems and schemes,²¹⁰ targeted programmes for different groups²¹¹ (unemployed people, migrants, early school leavers, young, and low-qualified workers), social partners initiatives,²¹² and new rights given to workers or union representatives.²¹³ However, data related to the outcomes and impacts of these initiatives on individuals are lacking in many countries.

Their effectiveness and efficiency raise a range of issues:

- funds – both private and public – are usually not lacking, but access to them can be quite problematic in terms of timing, especially access by SMEs and by low-qualified individuals; there are also some anomalies in terms of increased budgets, which are in many cases underused;
- attitudes to training by both employers and workers are not necessarily positive, as mentioned in several national seminar debates,²¹⁴ and training, as a part of a culture of change can be poorly developed among both employers and employees;
- implementing training schemes during restructuring, or combining them with short-time schemes, has not led to major improvements;²¹⁵
- training programmes are sometimes deficient in terms of targeting of contents, methods²¹⁶ and participants.

Therefore training probably needs to be thought through in terms of:

- its role as a tool to be combined with others such as counselling and job-to-job transition;
- its target groups, particularly the most vulnerable groups;
- its timing, with a view to making it available more quickly when restructuring takes place;
- its approach to both employers, especially SMEs, and workers, especially those who are less educated or less well-qualified,
- its content, to enable it to be better tailored to individual needs and capacities.

²⁰⁸ In Portugal, in Hungary, in the UK and some other countries as described in Chapter 2, p. 33-34

²⁰⁹ See Chapter 2, p. 34, Chapter 3 p. 58-59 and also Annex IV. Tables about validation of experience with measures adopted in Estonia, France, the Netherlands and Spain

²¹⁰ See for example the Portuguese advisory councils for qualification or the UK National Commission to promote qualification and Annex II Measures for anticipating restructuring, part 2, Supporting individuals: training and competence development

²¹¹ See Annex IV, 3.10. tables on training for transitions

²¹² Like the Dutch joint sectoral funds (Chapter 2 p. 32), the French method agreements (Chapter 2 p. 34)

²¹³ See the French individual right to training, Chapter 2 box 7 p. 33 and the UK experience of unions learning funds and unions learning representatives, as described in Annex II, part 2, Supporting individuals: training and competence development

²¹⁴ See Irish NBP and Danish national seminar minutes.

²¹⁵ See German NBP p. 24 and French NBP p. 28 and 33

²¹⁶ See Denmark, Greece and Cyprus national seminars minutes

RE-EMPLOYMENT AND TRANSITION TOOLS: DEVELOPMENTS AND LIMITS

If training is considered a key measure for avoiding or managing restructuring, other measures and frameworks, largely developed in chapter 3 (p.55-59),²¹⁷ are playing a growing role, most of them aiming to ease job-to-job transitions, or to reduce the time spent unemployed by those made redundant.

In Germany, when restructuring becomes inevitable, the main mechanism for managing it in a socially responsible way is the "job transfer scheme".²¹⁸ The basic notion of these schemes is to avoid unemployment by extending employment status beyond the end of the notice period, and using this extra time for occupational re-orientation, training and assisted job search. Austria has set up work foundations at company and regional levels, and also specific foundations for bankrupt companies.²¹⁹ France and Belgium have developed replacement units, mostly private in the French case, and mostly public in the Belgian (Wallonia) case.²²⁰ In contrast, in Spain the labour model, in its totality, does not encourage occupational transition.²²¹ Here the existence of a segmented and almost dual labour market (split into indefinite contracts and temporary contracts) makes functional mobility difficult. Therefore, the use of external re-employment, through specialised undertakings which are still pending legal normalisation, is also infrequent. In Ireland,²²² most stakeholders regard reskilling and outplacement measures as offered as a matter of routine, rather than only in a crisis situation.

Beyond transition schemes, many countries have introduced active labour market measures designed to ease transitions, such as:

- geographical mobility schemes for both workers and unemployed people as developed by specific programmes in many countries,²²³ and incentives and bodies such as the Dutch regional mobility centres;²²⁴
- policies easing transitions from job to job prior to dismissal, such as the mobility leave introduced in France,²²⁵ or the Danish work-sharing agreements, which are considered valuable instruments during transition periods;²²⁶
- individualised services provided by some PES to companies (Lithuania, FAS in Ireland);
- job security foundations developed some time ago in Sweden through social dialogue, as described in chapter 3 (box 12, p.55);
- specific foundations such as the steel foundation²²⁷ set up in Hungary through social dialogue and based on the need to build a transition between redundancy and entry into the open labour market.

²¹⁷ See also Annex IV tables on dismissal and transition to a new job

²¹⁸ See chapter 3, p. 22

²¹⁹ See Austrian NBP p. 65-66

²²⁰ See Annex IV 3.9. tables on dismissal and transition to a new job

²²¹ As stated in the Spanish NBP p. 8

²²² According to the Irish national seminar minutes

²²³ See Annex IV Tables 15 Geographical mobility

²²⁴ Described in Annex IV, 3.9. tables on dismissal and transition to a new job

²²⁵ See Chapter 3, p. 58

²²⁶ See Danish NBP p. 33-34

²²⁷ See Hungarian NBP p.33

However, these transition tools are not fully convincing and sometimes there is still a lack of active labour market policy measures as well as a lack of assessment, as mentioned among others in relation to Belgium, Estonia and Germany. In Spain, social plans are deemed to be of little effect,²²⁸ while in Ireland trade unions find it difficult to persuade redundant workers to join active labour market schemes. In France, many tools for re-employment are available but with unequal access for workers and companies. Austrian work foundations are costly and many companies cannot afford them. The Hungarian experience of a steel foundation was considered very efficient but vulnerable economically.²²⁹ In Germany, both a positive job transfer policy agenda and straightforward institutional design are lacking.²³⁰ In Italy, the need for universal coverage of transition schemes was strongly emphasised.²³¹

Owing to the fact that restructuring takes place on a continuous basis, support for job transition will become a central issue. Existing schemes face several challenges, such as:

- the need to make their outcomes more visible and convincing in order to gain credibility, especially among workers;
- the need to obtain wide, or universal, coverage and not be restricted to some companies or sectors;
- the need to be clearly supported as a primary tool by the social partners and at policy level.

EARLY RETIREMENT AND SEVERANCE PAYMENTS: STILL ON THE AGENDA

For many years European policies have promoted active labour market policies, preferring them to passive labour market policies as a way of managing both restructuring and unemployment. These policies differ from the most common measures used in the past, such as withdrawal from the labour market, especially though early retirement or invalidity benefits, and financial compensation for redundant employees, particularly through severance payments and unemployment benefits.

As set out in chapter 3 (p. 49-51), many national background papers, such as those for Belgium, Finland, Greece, the Netherlands, Lithuania, Poland, Spain and Slovakia, mention that early retirement is still used and that this measure is still quite popular among workers. And even in countries²³² where government policies have significantly reduced incentives for early retirement, such as Belgium, France and Germany, so as to encourage the use of early retirement in exceptional cases only, the results are quite mixed. Large and rich companies, such as those in the banking sector, use tailor-made early retirement schemes, often 100% funded by the company. Early retirement is also used for restructuring in the public sector when State-owned companies and public bodies undergo restructuring.

With all EU Member States facing an ageing population, long-term demographic trends and financial problems, public policies are now focusing on significantly reducing incentives for early retirement. However, in most countries any results are to be expected, at best, in the

²²⁸ As stated in the Spanish NBP, p.

²²⁹ According to the Hungarian national seminar minutes

²³⁰ See German NBP p.51-52

²³¹ See Italian NBP p.59

²³² See for example Belgian NBP section 5.3.1

medium-term. Changing attitudes, keeping employees aged 50-60 at work, and improving the working environment and occupational health, are significant challenges which have not yet been met.

Severance payments are very important²³³ in the context of making workers redundant,²³⁴ as described in chapter 3 (p.51-52). Even when not compulsory by law as in Germany, severance payments usually make up part of social plans or social packages. Usually, severance payment levels are set by labour laws or collective agreement. Courts²³⁵ may play an important role for workers not entitled to severance payments in company social plans (for example in Germany), for workers complaining about the fairness of dismissals (Spain and France), or with regard to severance payments due to workers but not paid (Lithuania). In many cases,²³⁶ additional payments – up to 2–3 years’ annual salary – are agreed through company agreements. Overall, the issue of severance payments remains very sensitive.²³⁷ In countries such as Spain and Romania, regulation has recently reduced severance payment levels; but for most workers this remains the most favoured measure. According to the Romanian national background paper, faced with the threat of losing their job many workers see severance as a sufficiently profitable deal to encourage some of them to volunteer for redundancy. In Ireland, redundancy procedures and severance packages are the usual responses to redundancy, but there is a lack of investigation into their use. Some experts think that severance payments not only discourage a proactive attitude to work, but also may favour recruitment of employees on fixed-term contracts (Spain), or cause large-scale emigration (Romania).

Therefore, many experts see a potential contradiction between the logic of social compensation plans, and the logic of transfer and re-employment.²³⁸ Issues to be debated include whether severance payments should be offered in cases of redundancy relating to restructuring, and whether there is any possible trade-off between reduced severance payments and increased active labour market policies. However, such sensitive issues do not explicitly appear on the social partners’ or the wider political agenda. In societies that are very supportive of those in need, such an arrangement would require not only clear support for activating measures, but also a massive effort to make them convincing in terms of both tools and outcomes, as well as applicable to all types of restructuring involving redundancies. The question is whether the main stakeholders are ready for this?

REGULATORY FRAMEWORKS: ISSUES AND LEVELS

In some countries, such as Belgium, Slovenia, Spain and France, legislation is under debate:²³⁹ issues such as the cost of dismissals, the length of procedures, and the duties of employers when it comes to reclassification of employees made redundant, have been criticised by employers. In Cyprus,²⁴⁰ protection of employees’ compensation entitlements, in the case of company

²³³ See Chapter 3, p. 51-52

²³⁴ Except in a few countries like Denmark or Sweden, where it is not a common practice.

²³⁵ See for example German NBP p. 36

²³⁶ See among others Irish NBP p. 33 and 71, French NBP p.42, Romanian NBP p. 38-40

²³⁷ See for example Spanish NBP p. 33-34

²³⁸ As stated in the German NBP and further developed, above in Chapter 3, p. 57-59

²³⁹ See Belgian NBP section 5.7, Slovenian NBP p.62, Spanish NBP p. 54-57, French NBP p. 53 and 60

²⁴⁰ According to the Cyprus national seminar minutes.

bankruptcy, does not appear to be satisfactory. Social protection is also on the agenda: several countries (France, Latvia and Poland for example²⁴¹) have introduced changes to their rules and legislation regarding unemployment benefits. In some cases, unemployment benefit payments have been adjusted; in others, maximum periods of unemployment benefit payment have been revised. In Portugal,²⁴² a recent law introduced a ceiling on the number of workers – 20% to 25% of the workforce – that can access unemployment benefits in the case of restructuring.

The present economic crisis is seen in several countries as a “stress test” and as an incentive for reopening debates and seeking trade-offs. While in Denmark, existing measures and the “flexicurity golden triangle” is working well and is seen as useful,²⁴³ in countries such as Luxembourg and France,²⁴⁴ flexicurity is still a controversial issue due to the imbalance between flexibility and security. In Finland, the new “change security” concept²⁴⁵ has been discussed in terms of its sustainability in the context of the economic crisis.

When it comes to EU legislation, the EU directive on collective dismissals has given rise to a strengthening of national legislation on collective dismissals in many countries, and especially in some of the new Member States such as Bulgaria, Cyprus, Lithuania, Malta and Slovenia. However, practical implementation appears uneven, which raises the question of whether there is a need for amending legislation, or even new legislation. Several countries have discussed the necessity of updating EU and national regulations in light of the need for equal treatment for atypical workers in restructuring, since most regulations make a distinction between terminations for open-ended contracts and for other types of employment relationships. This has consequences in terms of eligibility for social plans and support, and access to transition measures.

EMERGING ISSUES: HEALTH AND TRANSNATIONAL RESTRUCTURING

National seminar participants in several countries²⁴⁶ mentioned psychological and health problems relating to restructuring and unemployment. However, for most countries this is a new issue on which there is little data and hardly any specific studies. Furthermore, there is no awareness among workers’ representatives, or company managers, of the need to include this issue when managing restructuring processes. Therefore, despite its increasing importance, especially at times of crisis, the health dimension usually does not feature in negotiations on restructuring. Nevertheless, some seminar participants, such as those in Austria,²⁴⁷ stressed the need to reduce health risks for older workers in order to retain them in the workplace, and to use their experience within the restructuring process. Estonian seminar participants mentioned the need for psychological support, and Finnish participants spoke of the need to take care of the psychological environment of working life.²⁴⁸ In France, the Ministry of Labour urged large companies to negotiate on stress in the context of restructuring.

²⁴¹ See for examples Polish NBP p.41, Latvian NPB p. 21 .

²⁴² See Portuguese NBP p. 45

²⁴³ Even if some sectors (construction) experience problems with training and qualifications,

²⁴⁴ According national seminars’ minutes

²⁴⁵ Described in Annex IV 3.9. tables on dismissal and transition to a new job; see also Finnish national seminar’s minutes

²⁴⁶ Spain NBP p. 79, Bulgaria NBP p. 48, see also Estonian, French, German and Swedish national seminar minutes

²⁴⁷ See Austrian NBP p. 75

²⁴⁸ See Finnish NBP p. 43

It could be said that there is growing consideration of health as a serious issue in restructuring. But it is not clear whether this increased consideration includes additional health measures, or whether it requires more appropriate forms of communication, management and support. It is also unclear whether operational tools are available to enable companies to be proactive in this field, especially SMEs.

Box no. 15

Transnational restructuring

Transnational restructuring was not often debated in the national seminars, although it did feature in some case studies and national background papers. Multinational companies are standard setters in some countries (for example Bulgaria and Poland),²⁴⁹ but questions remain as to whether there is dissemination of their good practices so that they can, in turn, influence national and local practice. In other countries,²⁵⁰ such as Belgium, Germany, Ireland or Hungary, multinationals, with headquarters outside the country, were criticised for not allowing local plants, local management and local employee representatives to be involved in the anticipation of restructuring, or to receive timely information and to be involved in prior consultation processes. This raises, among other things, the issue of how effective European Works Councils (EWCs) are when addressing restructuring. In the opinion of Irish and Swedish national seminar participants,²⁵¹ EWCs were not playing an effective role, while in the opinion of French participants EWCs are starting to have an impact.²⁵²

Beyond EWC frameworks, there is a question as to whether common rules need to be drawn up for transnational restructuring in order to ensure fair competition and fair treatment for workers, wherever they work in the EU. This remains an open question, taking into account the fact that in recent years no willingness has been shown for a code of conduct in this field, and the fact that the EU social partners failed to come to an agreement on this issue in 2003.

4.3 Concluding remarks: restructuring, the crisis and their three-fold effect

This chapter aimed to describe the dynamics in place for each main stakeholder involved in restructuring. It also showed how the crisis has contributed to changing responsibilities,

²⁴⁹ See Bulgarian NBP p.41, Polish NBP p. 64

²⁵⁰ See Belgian NBP section 3.8, German NBP p.59, Irish NBP p. 22, Hungarian NBP, p.55

²⁵¹ See Irish NBP p. 22 and Swedish NBP p. 44

²⁵² See French NBP p. 60

frameworks and tools. It has also pointed out some important and sensitive issues and dilemmas, most of them still on national agendas. It should be remembered that, whether or not it is linked to the crisis, restructuring is nothing new, although its pace has been accelerated by the crisis and future forecasts do not envisage any slowdown in the volume of restructuring. In terms of impact, restructuring could be characterised as having a three-fold effect:

- i. A shock effect: although restructuring is described as a double-sided phenomenon (one positive, one negative), it must be conceded that many restructuring processes in the EU lead to downsizing, outsourcing and mergers that generate more job losses than job creation. The crisis has been a shock in many countries for individuals, companies, social partners, and public employment services. As well as increasing the volume of restructuring, it can lead to distrust, panic, short-term hoarding, a need for protection, and pressures in favour of protectionism.
- ii. A revealing effect: Warren Buffett once said that when the tide goes out, you can see who was swimming without a bathing suit. He had in mind vulnerable firms such as banks and asset managers, who engaged in speculation and short-term finance. This saying can be extended to economic and social policy relating to restructuring. Restructuring and the crisis act as a stress test for anticipation, preparation and management of restructuring: forecasts, early warning mechanisms and management measures are not yet performing in a satisfactory way, training remains partly ineffective, and support and transition tools are still incomplete, and do not cover many groups at risk. However, crisis and restructuring reveal how innovative companies, social partners and public authorities can overcome critical situations, and maintain social cohesion by implementing economic and social measures.
- iii. An accelerating effect: with the EU facing, in a wider context, globalisation, structural change and ageing challenges, the pace of restructuring will increase, in both private and public sectors. Contradictions between economic performance and support for people will be exacerbated by public debts and adjustment plans. The good news is that extended restructuring, and the recent economic crisis, have reopened debates on the role of the main stakeholders. States, companies, social partners, local communities and other stakeholders will need to develop new policies and restructuring models and will need to find alternative ways of coping with present and future challenges.

The purpose of this report was to contribute to better understanding of the various measures available for anticipating and managing restructuring in the 27 Member States of the European Union. In chapter 1, we defined restructuring as any change to the structure of an organisation that has an impact on employment, or working conditions for workers, and we indicated that the measures for anticipation and management of restructuring have changed, in terms of both their distribution and their character. Restructuring is no longer only regarded as a way of responding to economic crisis, but is, in many countries, of strategic relevance for longer-term economic development and competitiveness. The way Member States manage restructuring is central to governments' ambitions to fight unemployment and develop sustainable economic growth, and the recent economic crisis has stimulated the development and implementation of new measures for anticipation and management of restructuring in accordance with these ambitions. This is achieved, on the one hand, by modifying and improving previously established measures aimed at saving jobs in order to avoid redundancies and increasing unemployment rates, and on the other hand, by experimenting with and testing new measures with a view to involving stakeholders in preparing for restructuring, and stimulating and activating redundant workers to help them to transfer to new jobs. Facilitating secure transfer to new jobs can be seen as an unattainable goal when economic conditions in firms are not sustainable, but may also provide better opportunities for workers' long term economic development, if properly managed and supported.

To provide a better understanding of how these different measures are implemented in practice, and to what extent they contribute to longer-term sustainable competitiveness, this project has amassed examples of measures to anticipate and manage restructuring in all 27 EU Member States, documented them in national background papers, and organised seminars with tripartite stakeholders in each country to discuss and evaluate their effectiveness and efficiency.

The purpose was not only to create a better understanding of existing and innovative restructuring measures in each Member State, but also to identify lessons that could be disseminated to other countries in Europe. Furthermore, since the European Union is a project that involves and creates restructuring in the Member States, this report can also contribute to debates on how the European Union could contribute to facilitating the development of sustainable measures for anticipation and management of restructuring across Europe.

This chapter will summarise and discuss the most important conclusions of this project. First it will summarise the main findings of the project based on the outcomes of the previous four chapters in this report. With this as a basis, it will then discuss the findings in relation to more general questions regarding measures for anticipation and management of restructuring in Member States. Finally, it will summarise the key project findings, and contributions of the project, and make suggestions for further development resulting from the project.

5.1 Anticipating and managing restructuring

While there is no universal agreement on either the concept of anticipation, or the concept of restructuring, measures for anticipation and management of restructuring in the 27 EU Member States share many similar features. In all countries, some measures are available for anticipating economic and labour market developments, as all countries have legal frameworks that regulate how restructuring should be managed, and all have in place public authorities that initiate labour market policies for reducing unemployment in the best possible way, given each country's circumstances. This project did not set out to evaluate these legal frameworks and labour market policies, but to describe and discuss the measures relating particularly to anticipation and management of restructuring, i.e. changes in organisations that may have an impact on the employment of, or the working conditions, for workers. The previous chapters offer a more detailed description of these measures: this section will summarise the most important observations.

Firstly, in several Member States, a great deal of effort is put into forecasting and predicting economic and labour market developments. These activities are important in that they provide frameworks for enlightened forward-looking policy-making that contributes to preparing actors for future restructuring. As mentioned in chapter 2, forecasting-oriented measures also have limitations when the knowledge and intelligence developed in these forecasts resemble isolated islands, and are not disseminated widely to the actors in society. However, there are also anticipatory measures aimed, not only at predicting the future, but also at creating and changing the future, such as strategic initiatives and dialogue involving a wide range of actors at national, regional or sectoral levels. These may not always be seen as directly related to restructuring, but have important effects in that they have the potential to create a process of change, and a common understanding and strategy for how the territory, sector or company should develop in the future. Regional initiatives to attract investment and/or encourage innovation may also have positive effects when they contribute to creating better conditions for future employment and reduce dependence on single employers or sectors in regions. Such forward-looking involvement may provide good platforms for the necessary dialogue and collaboration when economic difficulties arise. Anticipatory measures, therefore, create good opportunities for informing actors, involving them in decision-making, and preparing them for coming hardships. However, a lack of comprehensive evaluation makes it difficult to assess how effective these measures have been in concrete terms.

Secondly, measures to manage restructuring at company level can be categorised as two different types. The first are measures aimed at avoiding redundancies, and the second are measures to support workers when redundancies are unavoidable. Publicly-funded wage subsidies, short-time working schemes, partial unemployment programmes and temporary lay-off schemes are offered in several Member States as a way of helping employers avoid redundancies. But, as mentioned in chapter 3, there are debates in Member States regarding the longer-term sustainability of these measures, and whether the threat of redundancies really can be avoided, that is to say whether measures such as short-time working are merely prolonging the life of unviable companies. When redundancies cannot be avoided, employers may have a preference for publicly-funded early retirement schemes, but these are decreasing in availability. Measures to support workers' transition to new jobs after dismissal are available for employers in many Member States, but coverage of companies and workers is very uneven, and the responsibility for the costs for such measures is a subject of debate. Despite reported

successes, it seems to be difficult to stimulate demand for such measures, especially when generous subsidies for other forms of measures are available or when, as in some Member States, employers are obliged to make significant severance payments. The availability of measures to manage restructuring at the company level is therefore highly dependent on the incentives and frameworks provided by national governments.

Thirdly, measures to support employers in their efforts to avoid redundancies, and to support workers in their search for new jobs before, during or after dismissal are complemented in most Member States by passive and active labour market policy measures such as unemployment benefits, employment subsidies to stimulate the employment of long-term unemployed people, and support for training and educating the labour force. These measures, most often coordinated by national public employment services, are not always directly related to actual company restructuring. Instead, such measures are oriented primarily towards those who are already unemployed, and not those who are affected by redundancies. Nevertheless, these measures have an important role to play in reducing unemployment and mitigating the negative effects of redundancies. In some Member States, measures provided by the public employment services are the only measures relating to restructuring, and their limited budgets imply that their availability for workers, who are made redundant, is almost non-existent. Thus measures to manage restructuring at company level can be complemented by active labour market policies, but this requires substantial resources and development in several Member States.

In sum, the measures for anticipation and management of restructuring in Europe have changed in terms both of their distribution and of their character. Regardless of the reasons for restructuring – whether redundancies, mergers, closures, outsourcing, off-shoring, significant changes in technology, reorganisation without dismissals, or transfers of undertakings – it is clear that restructuring is an ongoing and permanent phenomenon. As observed in all Member States, there is no reason to believe that restructuring, as a phenomenon, will disappear once the current economic crisis is over. Conversely, restructuring could even accelerate and impact on sectors which, up to now, have been less exposed to restructuring: for example the public sector.

National background papers arising from this project also show that restructuring should be managed continuously, and that better outcomes in both economic and social terms are achieved when there is a degree of coherence between anticipation, preparation, management and follow-up. However, this continuity is not evident very often and many lessons from restructuring are forgotten rather than learnt and applied. Another issue is that transitions to alternative employment involve a broader dimension of employment: issues such as employees' mental health, social benefits, and culture, although not easy to deal with, need to be better taken into account by employment policies and services.

Previous chapters also show that restructuring is no longer an issue that is limited to the level of the company when it comes to structural change and its impact, which, in most cases, goes beyond company borders. Therefore, employers need to enter into a multi-level and multi-stakeholder dialogue, not only so as to explain and discuss their decisions, but also to mitigate their effects. Over past decades, social dialogue within companies and at the level of the company has been given priority. Many national background papers show that a better balance could be found if sectoral and territorial dialogue, producing appropriate frameworks and measures, were also to take place.

Finally, most of the regulatory frameworks, at EU, as well as at national level, have been developed during a period when employment relationships were predominantly characterised by open-ended contracts. In that respect, the situation has changed in many Member States, with a

large proportion of the workforce employed on fixed-term contracts, agency work, or on civil or commercial contracts. When restructuring occurs, these groups often do not enjoy the same treatment as most permanent employees in terms of support, benefits, training, and transitions to a new job. In order to avoid the development of a kind of dualism, therefore, the fairness of restructuring models and policies should be reviewed in this respect.

The identification of methods for anticipation and management of restructuring in each of the 27 Member States has, as mentioned in chapter 1, been followed by discussions in national seminars on their potential efficiency and effectiveness. Two general observations arise from these discussions. On the one hand, participants in national seminars have expressed concerns over the longer-term consequences of measures implemented to save jobs and avoid redundancies. On the other hand, participants have argued that, in many cases, measures have been implemented so recently that it is not yet possible to evaluate their effects. Debates have also been characterised by questions about previous measures, in particular the culture of favouring monetary compensation over activating measures. It is therefore difficult to come to any clear conclusion regarding the lessons to be learnt from this project in each Member State. Nevertheless, as a result of the project, we have reason to consider two more general questions regarding anticipation and management of restructuring in the Member States. The first is concerned with the role of the State and the second with the responsibility of employers.

THE ROLE OF THE STATE

As previous chapters have clearly shown, national authorities, for example the public employment services, take on important roles and responsibilities in anticipating and managing restructuring. There are two primary roles:

- (1) the first is regulatory, to set the rules governing the actors in restructuring activities, for example the responsibility of employers to inform and consult with workers' representatives, and the requirements and obligations of employers should they decide to initiate collective redundancies;
- (2) The second is facilitative, to help actors play the roles they have been given in their respective labour markets and stimulate preferred patterns of behaviour among employers, workers and workers' representatives.

In all Member States, governments play these two roles in one way or another. At the same time, during the current economic crisis there have been shifts between these roles. In several Member States, governments are struggling to find their role and play it well. This is primarily the case in the new Member States, where regulatory frameworks were put into place relatively recently, and the experience of actors in playing their given roles is still developing. These countries also have relatively limited budgets available for active labour market policy that can be used to stimulate preferred behaviour patterns. In some of the older Member States, governments are struggling to move away from the role they played in the past. There are also Member States that, in the face of external pressures, struggle to retain the role they have played in the past. The most obvious example of this last category of Member States is Sweden, where the social partners have traditionally had an important role in managing restructuring, and voices have been raised urging the state to play a more active role in providing measures to support industries and companies in economic difficulties. It is

important to take this diversity into account when trying to understand the development of measures for anticipation and management of restructuring in Member States.

THE RESPONSIBILITY OF EMPLOYERS

While identifying measures for anticipation and management of restructuring in the European Member States, this report also calls attention to questions regarding the distribution of responsibility between the actors involved in restructuring. Employers have, given their own interests and legal obligations, an important responsibility as to how restructuring is anticipated and managed. The shape of this responsibility varies between countries, and it may be argued that to avoid distortion created by competition between countries, efforts should be made to try to develop a common framework based on best practices.

While European Directives state that when an employer is considering collective redundancies, consultations with workers' representatives should take place in good time and with a view to reaching an agreement, there are still very few examples available that shed light on how such consultations should take place and how they can contribute to effective measures that facilitate a sound transition. Despite legal obligations and ambitions to stimulate social dialogue, workers' representatives and trade unions seldom have an active role in anticipating and managing restructuring. The review of the national background papers shows that there are a substantial number of examples of measures that are the result of negotiations and agreements between social partners, perhaps also a trend towards an increasing number of such agreements. However, there is no evidence that these agreements are the result of legislative obligations of employers. On the contrary, in several cases of measures based on agreements between social partners, they are the result of responsibilities given to workers' representatives or trade unions by the State. In Belgium, for example, a company can be offered access to publicly-funded early retirement schemes if employers agree with trade unions in collective agreements. In Austria, companies are offered subsidies for introducing short-time working measures instead of dismissing workers, on condition that the employer concludes an agreement with the representative trade union. In Sweden, employers can use other methods for selecting workers for dismissal than the seniority principle required by labour law, if trade unions agree in a collective agreement. This list is not complete, but serves as an illustration of the fact that in all these cases the workers' representatives, or trade unions, have access to some attractive resources (early retirement schemes in Belgium, short-time work schemes in Austria, the right to use alternative selection principles in Sweden), which provide an incentive for employers to come to an agreement with trade unions.

However, offering trade unions the power to influence the kind of measures agreed on between the main actors does not mean that employers are released from their responsibility for restructuring: it is the employer who decides whether restructuring measures should be initiated, and it is therefore always responsible for any consequences of that decision. However, offering incentives to employers to negotiate and agree with workers' representatives on measures implemented during restructuring may have important consequences for future collaboration between the social partners, and create a framework for continuous social dialogue. There is therefore a delicate choice to be made by national authorities as to what roles should be given to the social partners, and what kind of behaviour should be stimulated between them. There is also a choice to be made as to which measures for anticipating and management of restructuring should be given priority.

5.2 Key Findings and a way forward

This report has described and analysed the different measures for anticipation and management of restructuring available in the 27 EU Member States and how they have been perceived and discussed by stakeholders and experts in each country. The report shows that measures for anticipation and management of restructuring are of considerable importance for the fate of the workers, companies and societies in which they are implemented. Most importantly, the report illustrates the importance of social dialogue for the outcome of the measures, not only for their direct effectiveness, but also their social acceptance.

The key findings of the project can be summarised as follows.

1. The report has been able to identify a wide range of measures for anticipation and management of restructuring available in the 27 EU Member States, albeit with differing degrees of stability and sustainability. The recent economic crisis has shaped the way restructuring is managed in a particular direction, and several examples of innovation and experimentation with new methods have been identified. However, in many cases, measures have been implemented so recently that it is not yet possible to evaluate their effects. In addition, data, that allows analysis of the extent and impact of restructuring in many Member States, is lacking. Further measures should be taken to create databases that allow systematic analysis of the long-term consequences of restructuring and immediate monitoring of restructuring activities.
2. The strength of European measures for anticipation and management of restructuring can be found in the variation in practices and in the strong level of concern with mitigating the negative social consequences of restructuring that exist in all Member States. However, social dialogue in restructuring could be strengthened. Measures should be taken to further stimulate employers' incentives to negotiate agreements on restructuring measures.
3. Measures that are based on the participation of a wide range of actors that could also serve to develop constructive strategies to shape the future seem to have an important role not only in anticipating restructuring, but also in creating the necessary degree of readiness among actors when change takes place. Measures to stimulate regional and sectoral dialogue with a view to creating long-term strategies should be intensified.
4. While measures to avoid redundancies are available in several Member States, their long-term consequences are uncertain. Measures to support the transfer of redundant workers to new jobs seem to have strong social acceptance, but their availability is limited and uneven across Member States. Measures should be taken to stimulate demand for transition services in countries where such services are not available.
5. Although European Directives provide common legal frameworks, there are important differences between Member States as regards policies and measures to anticipate and manage restructuring. Differences between Member States concern the kinds of policies that are available and the role that governments play in restructuring. For example, there are disparities between Member States in terms of the emphasis placed on, and the resources available for, developing sustainable

restructuring practices. Measures should be taken to develop a common framework based on best practices, so as to ensure fair competition between employers across Member States, and equal treatment for workers, allowing employers to pursue competitive business activities; ensuring the integrity of collective bargaining agreements; and securing sustainable transition facilities for workers.

Annex I: list of national experts

List of national experts, ARENAS project

Country	National Expert	Institution
Austria	Roland Atzmuller	FORBA - Working Life Research Centre
Belgium	Frederic Naedenoen, François Pichault	Lentic – Hec – Ecole de gestion de l’Université de Liège
Bulgaria	Vassil Kirov	Institute f Sociology Bulgarian Academy of Sciences
Cyprus	Yannis Eustathopoulos	Cyprus Labour Institute (INEK-PEO)
Czech Republic	Zdeněk Karásek	RPIC-VIP Ltd
Denmark	Henrik Mahncke	Oxford Research
Estonia	Andres Võrk	Praxis
Finland	Robert Arnkil	Tampere University
France	Claude Emmanuel Triomphe	ASTREES
Germany	Matthias Knuth	Institute for Work, Skills and Training, University of Duisburg-Essen
Greece	Anda Stamati	INE/GSEE
Hungary	László Neumann	Institute for Social Policy and Labour
Ireland	Andrea Broughton	Institute for Employment Studies
Italy	Roberto Pedersini	University of Milan – Work, Training and Welfare Centre (WTM)
Latvia	Daiga Ermsone	
Lithuania	Inga Blaziene	Vilnius University – Labour Law Department

Country	National Expert	Institution
Luxembourg	Adrien Thomas	CEPS Instead
Malta	Saviour Rizzo	Centre for Labour Studies – University of Malta
Netherlands	Wim Sprenger	STZ Advies & Onderzoek
Poland	Anna Kwiatkiewicz	BPI Polska
Portugal	Simões Nadia Nogueira	ISCTE – Higher Institute of Social Sciences and Business Studies
Romania	Constantin Ciutacu	LAND Training & Consulting
Slovakia	Ludovit Cziria	Institute for Labour and Family Research
Slovenia	Barbara Kresal	Institute for Labour Law at the Faculty of Law – University of Ljubljana
Spain	Ricardo Rodriguez	Labour Asociados SLL
Sweden	Ola Bergström	School of Business, Economics and Law – Gothenburg Univeristy
United Kingdom	Stephen Jefferys, Nick Clarke	Working Lives Research Institute – London Metropolitan University

Source: ARENAS 2010

Annex II - Main measures for anticipating restructuring

Table 1: economic and labour market forecasting measures

Measure	Country	Details of measures
Economic forecasting instruments	Bulgaria	The Agency for Economic Analysis and Forecasting (AEAF) carries out analyses, forecasts and prepares strategic documents regarding the economic performance of Bulgaria and the current business environment. It also carries out assessments of the country's economic development prospects and prepares short-, medium- and long-term forecasts of Bulgaria's economic development trends.
	Finland	<p>A wide range of national, regional and local forecasting bodies and networks that influence government policy:</p> <ol style="list-style-type: none"> (1) The Futures Committee in the Finnish Parliament (2) National Foresight Network of the Ministries (3) Foresights and restructuring activities of the Ministry of Employment and the Economies (4) Anticipation and forecasting in education – Ministry of Education (5) VATTAGE –model of Government Institute for Economic research (VATT) (6) Education Intelligence Foresight System of the Confederation of Finnish Industries (EK), (7) Finnsight 2015 Science and Technology Foresight (8) ETLA Economic Five Year Regional Forecasting System (9) Tekes (Funding Agency for Technology and Innovation) foresight systems, (10) VTT (Technical Research Centre of Finland) foresight systems (11) SITRA (Finnish Innovation Fund) foresight systems. <p>Regional and local systems include:</p> <ol style="list-style-type: none"> (1) Foresight system of the Finnish Economic Development Centres (TE-Centres) and the restructuring activities of the Employment and Economic development offices (TE-offices, former Employment offices) (2) Regional cluster modelling and foresight systems, (3) Surveys on the Need for Workforce and Training (TKTT Foresight Model) and (4) Sub-regional special foresight processes

Measure	Country	Details of measures
Economic forecasting instruments (<i>contd.</i>)	Hungary	Several research institutes, such as the Economic Research Company (ECOSTAT) carry out short-term forecasting of economic changes, providing information first of all about macro economic indicators, business and consumer confidence indices and sectoral processes and forecasts.
	Lithuania	Macroeconomic forecasts are produced by the Bank of Lithuania, Ministry of Finance, Ministry of Social Security and Labour and other national banks. In addition, such forecasts are occasionally produced within the framework of various special projects.
	Netherlands	The Social Economic Council (SER) issues reports on economic and labour market trends that provide the government with advice on dealing with restructuring issues
	Slovenia	Many institutions gather statistical data relevant for anticipating restructuring. The most important are the Statistical Office of the Republic of Slovenia (SORS), the Institute of Macroeconomic Analysis and Development (IMAD), The Employment Service of Slovenia – ESS. They prepare analyses and forecasts on the economic situation and development, characteristics of different areas of activity, employment and unemployment trends, social consequences of dismissals and different programmes, including active employment policy measures.
	Sweden	The Swedish National Institute of Economic Research (NIER) (Konjunkturinstitutet) performs analyses and forecasts of the Swedish and international economy and conducts related research. The Swedish trade union confederation LO has its own research institute, LO-ekonomerna, a group of highly skilled economists which provides the labour movement with knowledge about the development of the economy. They publish analyses and forecasts of the development of the economy and analyses to support trade union decision making.
	UK	Regional economic forums, which attempt to assess the economic situation in particular regions/industries
Labour market forecasting instruments	Bulgaria	The social partners through their internal channels have some forms of early warning systems. Usually the regional coordinators of the trade unions or the sectoral federations are aware if negative developments are to happen in a specific enterprise.
	Czech Republic	National Observatory of Employment and Training. “ Czech Future Skills! ” is a new activity of the National Observatory of Employment and Training which is engaged in monitoring and anticipating of development of labour market future needs Regional labour market observatory in the Moravian-Silesian Region. The main objectives of this are: <ul style="list-style-type: none"> • collecting, analysing and interpreting raw data from the labour market • identifying and analysing current and future trends of supply and demand on human resources, potential problems flowing from them and suggesting possible solutions.
	Denmark	Ongoing monitoring of the labour market, based on the number of dismissal announcements, the number of vacancies and the number of people in worksharing agreements. Observatories that forecast developments in specific sectors.
	Estonia	Annual government forecast of labour market demands

Measure	Country	Details of measures
Labour market forecasting instruments (contd.)	Finland	<p>National project on anticipation of competences and skills needs (VOSE). This project collects previously accomplished anticipation methods on different education levels as well as national experts together and creates a holistic network for qualitative anticipation of competences and skills needs.</p> <p>Education Intelligence; anticipation project run by the Confederation of Finnish Industries (EK)</p> <p>Interactive TKTT foresight model, under which civil servants in employment offices interview firms and ask for their short-term views on various subjects.</p>
	Hungary	<p>Short-term forecasting of labour market trends: the Short Term Labour Market Prognosis was developed in the 1990s and forecasts the expected changes in labour demand at the regional and sub-regional level in a break-down by professions on the basis of the Public Employment Service's survey of companies.</p> <p>Employment Assistance Committee - MEB, helps in the preventive management of the collective redundancy process by setting up a so called Employment Assistance Committee (munkába helyezést elősegítő bizottság (MEB);</p> <p>MEB is an Active labour market tool and foresees a subsidy for employer in case of redundancy in order to make it the least disadvantageous for the employees.</p>
	Ireland	Labour market analysis covering population growth, employment, participatory and unemployment rates with link to education figures.
	Italy	<p>Chambers of Commerce, involved in the identification of monitoring tools of specific local markets.</p> <p>A range of territorial and regional schemes and initiatives.</p> <p>A number of public agencies at national and local levels are involved in the study and management of labour markets, with the aim to facilitate transitions between education and jobs or between different jobs.</p> <p>Excelsior information system annual survey among 100,000 firms on employment and skill needs, projections on prospective developments).</p> <p>Il Monitor and Best Practices of Italia Lavoro analyses of the main tendencies in the labour market (<i>Il Monitor</i>), especially for disadvantaged groups of workers, and a database of good practices.</p>
	Latvia	Within the ESF national programme on labour market studies (2005-2007) a number of research studies on labour market and on movement and the geographical mobility of labour were conducted
	Lithuania	<p>Forecasts of employment expectations for the next 2-3 months</p> <p>Employers' survey conducted by the LLE</p> <p>Job opportunity barometer is a short-term (one-year) forecast of professions based on expert analysis derived from the data presented by the analysis of registered labour supply/demand and labour force employment forecast as well as employers' interviews.</p>

Measure	Country	Details of measures
Labour market forecasting instruments (contd.)	Luxembourg	<p>“The skills of tomorrow” studies are carried out every two years by the Business Federation Luxembourg in the industrial and ICT sectors. The objectives of the studies are to provide guidance to parents and young people in their choice of courses, as well as to encourage public authorities and actors of professional training to promote a balance between business needs and training;</p> <p>The Observatory of Continuous Vocational Training provides information on continuous vocational training to both political decision makers and private sector actors.</p>
	Malta	<p>Quarterly Survey of Central Bank of Malta, aimed at forecasting short-term employment needs carried among employers within various economic sectors</p> <p>Monthly Industry Trends survey carried out by the Malta Federation of Industry (FOI), now merged within the Malta Chamber of Commerce, Enterprise and Industry. Based on a selected sample of local operators in the manufacturing industry, respondents express their short-term expectations on topics including their labour force needs;</p> <p>Ad hoc studies of specific sectors, for instance: the Scoping Study on the Demand and Supply of ICT Skills in Malta (published in April 2007) and the Study on Job Training in the Environment Sector (Scicluna 2008), a survey forecasting the labour needs of the construction industry are cases in point carried out in November 2008 by the Chamber for Small and Medium Sized Enterprises (GRTU)</p>
	Poland	Regional monitoring of skills demands or over-represented professions.
	Portugal	<p>The Cabinet of Strategy, Evaluation and International Relations aims to identify, prevent, and present solutions for employment and vocational training problems, related to: imbalances between labour demand and supply; employment quality and stability; needs for skills and vocational training supply; and restructuring.</p> <p>The Employment and Vocational Training Observatory (Observatório do Emprego e Formação Profissional, OEFP). This tripartite body was created in 1993 and has as its main mission to monitor and assess measures and programmes and to identify, prevent, and present solutions for employment and vocational training problems, related to: (1) imbalances between labour demand and supply; (2) employment quality and stability; (3) needs of skills and vocational training supply; and (4) restructuring.</p>
	Slovakia	<p>Public employment services (ÚPSVAR) are directly involved in restructuring in case of mass dismissals. Any employer which plans a mass dismissal has to inform the respective district employment office about dismissals in required details.</p> <p>The offices contact the potential companies either individually or they organize seminars, during which they inform about the possibility to employ an unemployed registered in the records of the office.</p>
	Sweden	<p>The Association of Swedish Chambers of Commerce (a network for regional chambers of commerce) conducts a yearly prognosis of the future short and long-term demand for skills and competences. The forecast is based on a survey sent to the members of the different chambers of commerce.</p> <p>The Swedish public employment service offers a continuous forecasting of demand and future competition for about 200 occupations. The target is people who are about to make a choice of occupation. The service is also used by people who are working with outplacement or counselling services, to be able to provide good advice to job seekers.</p>

Measure	Country	Details of measures
Early warning systems	Austria	If an enterprise plans to lay off a larger number of persons (mass lay-offs), the regional PES office needs to be informed – depending on the size of the company concerned – to allow it to take timely and adequate measures to combat or alleviate the job cuts and offer suitable labour-market policy measures.
	Bulgaria	No formal early warning system, although the social partners through their internal channels have some forms of early warning system. Usually the regional coordinators of the trade unions or the sectoral federations are aware of potential negative developments in a specific enterprise. However, this information channel is rather informal and depends on the role and actions of the trade union regional or branch coordinator.
	Ireland	The Department of Enterprise, Trade and Employment (DETE) co-ordinates and oversees an internal Early Warning System of potential job losses and firms in difficulty, based on material provided on a confidential basis to the Department by IDA Ireland, Enterprise Ireland and Shannon Development. The system operates through notification by companies of proposed redundancies or difficulties to the Department and/or its State agencies. This information includes details as to why each particular situation has developed. The aim is to ensure, as far as possible, that information is available on companies in difficulty, and to enable agencies to assess what, if any, corrective action might be appropriate.
	Lithuania	Part-time employment survey conducted by the LLE with a view to early projections of likely redundancies of groups of employees. Territorial labour office should be notified of planned redundancies at least two months in advance.
	Poland	Employers must inform poviats labour offices about planned collective and monitored dismissals resulting from restructuring processes or in case of announcing employers' insolvency.
	Slovenia	Employment services oblige employers to annually inform them about planned recruitments and dismissals for the coming year. This provides an early warning system for anticipating restructuring.
	UK (Scotland)	PACE (Partnership Action for Continuing Employment) is the Scottish Government's national strategic partnership framework for responding to redundancy situations. Skills Development Scotland (SDS) co-ordinates PACE at a national level and facilitates local level response teams providing tailored help and support for individuals at risk of, or experiencing, redundancy.

Table 2: Measures to support transition

Measure	Country	Details of measures
National initiatives	Cyprus	Transition from low productivity to high productivity work positions. Implemented by the Cyprus Productivity Center, the measure provide enterprises with a training scheme to replace low productivity work positions with high productivity work positions. Incentive plan for implementing mechanisms of lifelong learning and improvement. Implemented by the Cyprus Productivity Center, the measure supports businesses to adopt mechanisms of lifelong learning and improvement as well as aid in the diffusion of accumulated knowledge and experiences.
	Netherlands	A multi stakeholder initiative was created in 2004 for promoting and improving the use of technology and human talents in the Netherlands in order to intensify innovation and to try to build curiosity and interest in science and technology among the population. It has a budget of €60 million per year for 5 years. Social Pact of the Labour Foundation in combination with an arrangement with the national Government (March 2009). The pact acts as an umbrella of a set of initiatives which pave the way for negotiations and social partners' initiatives at sectoral, company and local levels, by formulating objectives and boundaries for common steps.
	Sweden	Globalisation Council, which aimed to examine how Sweden can best assert itself in an era of continuing globalisation, and to make appropriate recommendations. The council consisted of representatives from the government, social partners, state agencies, media and researchers.
	UK	In 2004, the UK government commissioned Lord Leitch to examine the UK's mix of skills and how well it contributed to economic growth, productivity and social justice. The Leitch review's final report was published in December 2006, and made a range of recommendations about the future direction for skills policy.
Sectoral initiatives	Italy	Joint sectoral monitoring bodies set up by collective bargaining.
	Netherlands	Bipartite-governed sectoral training and development funds have been set up in many sectors. The total annual budget of all funds together was around €700 million. These funds also finance from-work-to-work activities.
	Portugal	16 Local Advisory Councils for Qualification: Food sector; construction and urbanism; Manufacture of chemicals, ceramics, glass and others; Informatics, electronics and telecommunications; Metal industry; Fashion Sector; Business activities; Health; Transports and Logistics; Environment and energy; Handicraft and jewellery; Trade and marketing; Culture, heritage and content production; Wood, furniture and cork; Personal services activities; and Tourism. The Councils integrate specialists appointed by the Ministry for the respective activity sector, trade unions and employers' associations of the corresponding activity sectors, reference companies, training entities with greater local or regional specialisation, and independent experts.

Measure	Country	Details of measures
Sectoral initiatives (contd.)	Spain	Tripartite agreement aimed at providing support for the Spanish textiles industry, providing social and labour support measures. Similar measures provide specific Support Plans for individual sectors under threat from restructuring in: Toys; Shoemaking and footwear components, Tanning and Leather goods; Wood and Furniture. Sectoral training funds designed to improve competence levels in specific sectors.
Regional/territorial initiatives	Greece	Territorial Employment Pacts, piloted in seven territories with high rates of unemployment. Framework set out by the tripartite National Institute of Labour (EIE). The Government has indicated that the social partners play a crucial role in the process of industrial relations readjustment required by the scheme.
	Italy	Community Network in Emilia-Romagna Region. Aim of the initiative is to support the growth of a local research area for the development of new technologies through a network of Universities, companies and local authorities. A range of joint labour market monitoring bodies in particular regions. Territorial employment pacts. Launched in 1998, these pacts integrate initiatives to promote capital investment in a particular area with targeted interventions (generally on infrastructures) in order to remedy structural disadvantages. Territorial employment pacts are now widespread in the country.
	Lithuania	Law on Regional Development (LRD) defines the purpose and objectives of national regional policy, its implementation as well as the drafting and approval of regional development planning documents. Lithuanian regional policy targets activities of the public authorities and other entities aimed at exerting a differentiated influence on social and economic development in regions with a view to reducing social and economic differences among the regions.
	Netherlands	Since 2000, 14 regional technocenters have been developed as a meeting and service point, bringing together regional companies and technical vocational training, as a possible source of information for anticipate restructuring.
	Sweden	Business Region Göteborg (BRG) is a non-profit company that represents the 13 municipalities that form the Göteborg region. This platform consists of municipal trade and industry leaders and companies in the region. The purpose of this platform is to strengthen and develop trade and industry in the Göteborg region, focusing on business development, projects promoting clusters and industries, marketing the region nationally and internationally, creating and collaborating with international networks, and providing service and advice to investors and newly established companies in the region.
	Hungary	Territorial employment pacts between regional actors in the labour market (educational institutions, civil organisations, local governments, sub-regional associations, employers and their interest organisations) in order to identify the possibilities of job creation and human resources development in the sub-region or region, to develop and implement a common strategy as well as an action plan to promote employment.

Measure	Country	Details of measures
Supporting individuals: training and competence development	Austria	Retraining programmes, qualifications for women in technical occupations. There are many training measures for different age groups: women are a special target group.
	Cyprus	Education and training measures targeted at unemployed people. Under the Single-enterprise Initial and Continuous Vocational Training Programme, businesses in Cyprus, regardless of their field of economic activity, can access training subsidies. This programme, among other things, seeks to preserve jobs in businesses that are facing economic difficulties due to the crisis, by covering a substantial part of the expenses for the training of their staff.
	Czech Republic	Government-funded education and training programmes
	Denmark	The government-sponsored high technology fund develops technologies that create growth, opportunities and employment in Denmark. The fund supports a broad spectrum of projects within the high tech industries that are considered to be competitive areas for Danish businesses on the global market. Adult vocational training system, aimed at maintaining and upgrading skills and competences, and matching labour market supply to demand.
	Estonia	Adult vocational training, state-supported
	France	Individual training right (DIF) The DIF, the individual right given to the worker since 2004, allows any worker (which includes, based on particular methods however, temporary workers and workers on fixed-term contracts) to amass training hours that can be used at his/her choosing with the agreement of the employer. Each year, workers on a full-time open-ended contract can amass 20 training hours. The rights acquired annually can be capitalised over a maximum period of six years to represent, in this case, a credit of 120 hours of training. Set up by the law in 2002 ¹ , the validation of experience acquired is a system allowing any person engaged in active life to obtain all or part of a diploma or vocational certificate, where a panel validates the experience, primarily but not only vocational experience, that the person has acquired. The system affords access to State diplomas and also vocational certificates issued by the professional branches. A procedure sets out the methods of informing the worker, the conditions of admissibility of his/her request and the appraisal of the worker by a panel.
	Germany	Continuous Vocational Training (CVT) Continuing vocational training might be a means of adapting to working environments and of maintaining employability even in the face of restructuring. The regulations on short-time working currently in operation comprise very generous provisions for CVT during times without work.
	Hungary	Continuous vocational training (CVT) The rights of an employee to participate in training are regulated by the Labour Code: Employer may support the employee's training through a study contract on paying tuition fees, travel and accommodation expenses, allowing training leave, etc.
	Ireland	Qualification and training measures towards the increasing the workplace learning and company competitiveness

¹ Law nr 2002-73, January 17, 2002, on social modernisation

Measure	Country	Details of measures
Supporting individuals: training and competence development (contd.)	Italy	National intersectoral joint funds for continuous vocational training (Fondi paritetici interprofessionali nazionali per la formazione continua), promoted by social partners, finance training plans at company, sectoral and territorial level, individual training programs and system activities, such as training needs surveys. The intersectoral funds have been introduced by law 388/2000
	Latvia	Life-long learning system has been significantly improved, in the framework of which the system of career education and career services has been strengthened and availability of career counselling services are provided to the whole population. On April 9, 2008 the Cabinet of Ministers approved the Programme for Implementation of the Lifelong Learning Policy Guidelines for 2007–2013 in 2008-2010.
	Lithuania	Vocational training Unemployed people and persons of working age warned on pending dismissal are eligible to vocational training organised and funded by the Public employment services. Trainees are paid grants during the whole period of training.
	Malta	The Malta College of Arts Science and Technology (MCAST) has become the vocational institute for Industry by offering customized training and providing learning programmes designed to merge the policies and practices, needs and aspirations of the client organization. The ETC, with the help of the ESF, took the initiative to help specific group of job seekers (early school leavers, elderly, etc.) as part of the Employability Programme. They also drew a “Human Resource Development Policy and Strategy for Malta 2004-2006” as an anticipating tool. Minister of Social Policy/ETC, launched in 2009 two major programmes financed by EU funds: <ul style="list-style-type: none"> • Employment Aid Programme (for unemployed people in disadvantage position). Through this programme those employers who recruit these persons are provided with financial assistance, which is in form of a generous subsidy in the salary of these employees, as well as in the employer’s contribution to the employee’s National Insurance. • Training Aid Framework (for employed people). This scheme consists of financial assistance to those companies that invest in the training of their workforce. Funds are available to companies in the private sector and the subsidy varies according to the type of training and the size of the enterprise. Training can be in-house or out-sourced and can be given in Malta or abroad through distance learning. The maximum amount available to each company is €25,000. The qualitative investment in education and training ensured that industries have an adequate pool of well trained employees at their disposal. Contribute to matching supply with demand thus enabling the public employment service provider in its job matching service to provide a more structured process in its profiling unit of job seekers and persons willing to enhance their employability. On an individual level these programmes and schemes enable persons who may experience barriers to employment to integrate or reintegrate in the labour market. They may also enable those already in employment to upgrade their skills and in the process enhance their employability. The designators of these programmes and schemes have to be cognizant of inadequacies of formal education, which tends to supply an annual pool of school leavers without any qualifications and competences
	Netherlands	Sectoral training and development funds, O&O-fondsen Training and development are key elements in restructuring policies. Bipartite governed sectoral training and development funds have been installed in many sectors. The total year budget of all funds together was about 700 million Euros. These funds also financed from-work-to-work activities. The funds are funded by social partners and provide training as their central activity. Funds try to wipe out competition on training (costs), as all employers and employees contribute, regardless of the use they make it. For instance: http://www.oof.nl/

Measure	Country	Details of measures
Supporting individuals: training and competence development (contd.)	Portugal	<p>“New Opportunities” for the young and adults. The initiative is a joint action strategy of the Ministry of Labour and the Ministry of Education in response to the profound lack of qualifications among the Portuguese population. This Initiative main aim was to reach all age groups and forms of learning in formal, non-formal and informal environments; thereby raising the employability levels in all the stages of people’s working lives. Hence, the Initiative is based on two intervention pillars – youth and adults. In the former, the focus is on combating non achievement at school and dropping out of the school system, while the second seeks to (re)qualify the adult active population.</p> <p>Vocational training system overhaul and lifelong learning policy.</p> <p>Local Advisory Councils for Qualifications (LACQ). These have the mission of permanently identifying the ways in which the National Qualifications Catalogue should be updated and cooperating with the National Qualification Agency (ANQ) on vocational education and training strategy.</p>
	Romania	The public employment agency must allocate at least 15% annually of its expenditure to the vocational training of employees.
	Spain	<p>Continuous Vocational Training considered as transition process</p> <p>The Tripartite Foundation for Training in Employment is made up of representatives from the Public Administration and from the most representative business and trade union organisations. It has the following objectives:</p> <ul style="list-style-type: none"> • To collaborate with, and provide technical assistance to, the State Public Employment Service (SEPE). • To contribute to the promotion and diffusion of professional training for employment between undertakings and workers. • To provide technical support to the Public Administrations and business and trade union organisations present in the system’s participatory bodies. <p>In this context of identifying anticipatory measures as key factors for ensuring a better preparation to changes and preventing or reducing social costs for dismissals, it is interesting to highlight the fact that this Foundation helps, through the signing of collaboratory agreements, to finance training plans chiefly for employed workers.</p> <p>These plans may, for example, be: a) inter-sectoral, for the acquisition, on the part of various economic sectors, of skills that are valued across the board; or, b) sectoral, directed at workers from a specific productive sector and at recycling and re-training workers who have moved across from another sector that is in crisis. Requests for aid may be made by the most representative business and trade union organisations from the national field, or state-level economic sector, and by the joint body created or covered by the collective bargaining (joint committees for training).</p> <p>Nowadays the management of this sub-system has passed to the Autonomous Communities, although the Tripartite Foundation continues to play an important role in its development.</p> <p>Although this sub-system of continuous training is closely tied to social dialogue and is relatively well tried and tested, it still awaits an impact assessment regarding the real efficacy of its measures and results.</p>

Measure	Country	Details of measures
Supporting individuals: training and competence development <i>(contd.)</i>	United Kingdom	<p>Train to Gain, which is a national skills service for employers of all sizes and sectors to improve the skills of their employees. This measure covers most forms of training from basic skills to management.</p> <p>Learner Accounts. The initiative, which is currently being trialed in some regions, offers independent advice on training to 'on the job' learners. When learners have signed up for a course they receive a written statement confirming the cost of the course and the amount that the State and individual or employer will be expected to pay for it. Advice and guidance will be available to help choose the right course and training provider to meet their needs.</p> <p>Union learning funds (ULF). Grants to support and develop Union Learning Representatives systems. Established in 1998, the Union Learning Fund received £21 million for union learning projects. The target for 2010 is that there should be 22,000 union learning representatives arranging learning for 250,000 individuals per year. Although ULRs were already recognised in some workplaces through voluntary agreements, since 2002, trade unions have had a legal right to appoint or elect workplace ULRs to perform the following functions set out in the Employment Act 2002:</p> <ul style="list-style-type: none"> • analysing learning or training needs; • providing information and advice about learning or training matters; • arranging learning or training; <p>promoting the value of learning or training, and consulting the employer about carrying out these activities.</p>
Collective bargaining	Austria, Belgium, Czech Republic, France, Germany, Hungary, Lithuania, Netherlands, Portugal, Slovenia, Slovakia, Spain	<p>Works councils system</p>
	France	<p>La gestion prévisionnelle des emplois et des compétences au niveau de l'entreprise (GPEC) (anticipatory management of employment and competences at the workplace).</p> <p>Triennial bargaining, based on various anticipation measures which are, themselves, of various types, usually involving internal mobility and training and competence development.</p> <p>Method agreements, designed to manage the process of restructuring</p>

Measure	Country	Details of measures
Innovation	France	<p>Pôles de compétitivité. Set up in 2004 with the aim of developing a new industrial policy focused on promoting innovation. It involves strengthening the French industry within the context of the globalisation of exchanges, by organising the collaboration of industrial and scientific players and those in charge of training in a region. Stimulate innovation, enhance the economic attraction of the regions and place a brake on relocations. Setting up a pole of competitiveness is subject to obtaining a label from the State.</p> <p>From 2006 to 2008, the budget allocated by the State to the poles of competitiveness was 1.5 billion euros. This amount is to be allocated again for the period 2009-2011.</p>
	Latvia	<p>The government has commenced a series of programmes to support innovation. The goal is to ensure that in 2010 the number of innovative enterprises constitutes 20% of all enterprises. These programmes are aimed at promotion of knowledge-based economy, to facilitate knowledge and technology transfer in production in order to ensure production of the products with higher value added. For example, <i>Programme of Market-Oriented Research Projects</i> is being implemented with the goal to promote co-operation of Latvian scientists and entrepreneurs in conducting research necessary for development of new technologies and products.</p>
	Luxembourg	<p>Promotion of clusters with firms of various sizes as well as public research institutions. Developing cooperative relations with the aim of encouraging investment in innovation and modernisation.</p>
	Malta	<p>Malta Enterprise is the government's agency responsible for the promotion of foreign investment and industrial development in Malta. It aims at sustaining Malta's competitiveness as an investment location and at creating the right environment for successful enterprise.</p> <p>The KORDIN- Incubation centre offers start up grants and soft loans and office facilities in the incubation centre.</p> <p>It is currently working with 20 start ups, creating 60 full-time jobs, mostly in the biotechnological and pharmaceutical sector.</p> <p>It has a success rate of 85% of the assisted microenterprises.</p>
	Portugal	<p>Work placements / Inov-Jovem placements (programme under the Ministry of Economy and the Ministry of Labour aims to foster innovation among SMEs for graduates in scientific areas related with innovation, e.g. management, engineering, and science and technology).</p>
Investment attraction incentives	Ireland	<p>Actions of Enterprise Ireland, IDA and Shannon Development in the Mid-West region to attract foreign direct investment into Ireland</p>
	Luxembourg	<p>The Luxembourg Board of Economic Development (BED) provides assistance to investors in order to help them assess investment opportunities in Luxembourg.</p>
	Slovakia	<p>Joint projects involving sectoral or industry bodies to establish industrial parks in several regions. Projects focus on expanding the employment in the region.</p> <p>The Slovak Investments and Trade Development Agency (SARIO) plays an important role in almost all relevant direct foreign investments in Slovakia since its establishment in 2001. In some cases, financial incentives (e.g. grants, loans, subsidized premises, offices) are granted to new companies to support their investments in the regions (localities), especially in areas with a high unemployment rate.</p>

Measure	Country	Details of measures
SME support	Hungary	Targeted help available to SMEs to help them with innovation, research and development.
	Latvia	<i>Programme on Promotion of Entrepreneurship Competitiveness and Innovation for 2007–2013.</i> The main goals of the programme are to provide favourable conditions for business development, to promote increase of capacity and efficiency of the National Innovation System, to achieve substantial growth of industrial competitiveness and productivity, thus fostering increased volumes of high value added manufacturing products.
	Portugal	Subsidised line of credit to provide financial support to viable SMEs.
	Slovakia	National Agency for the Development of Small and Medium-Sized Enterprises supports the establishment and development of small enterprises.
	Spain	Service for Active Integration in SME (SIAP), a training and employment plan promoted by the Chambers of Commerce. Its focus is as a complementary tool to aid Autonomic Employment Services initiatives, specifically designed to meet the needs of SMEs (the undertakings which generate the largest number of jobs) when they have staff shortages.

Annex III – Case studies on anticipation of restructuring: main lessons learnt

In addition to the existing measures for anticipating change, the 27 NBPs have also highlighted some relevant experiences at national, regional and company levels and in which the anticipatory strategies were tried out successfully. The most interesting case studies were debated during the National Seminars and have showed the success factors, the main problems and the preconditions for transferability in other contexts or sectors.

The case study analysis is based on the description done in each National Background paper and on the discussion held in each national seminar. The selection of case studies, made up by each national expert was done taking into consideration the social impact of each practice adopted. During the economic and financial crisis many companies with a structured forecasting approach have realised the inadequacy of their anticipation efforts. Nonetheless, interesting examples of anticipation both at quantitative and qualitative profile were discussed.

The following criteria have been used for classifying the relevant experience put in place by the companies and institutions analysed within the case studies discussed during each national seminar:

- enterprise social responsibility
- social dialogue
- territorial partnership.
- coordination with institutional actors and cooperation between public and private actors,
- forecasting tools
- funds availability.

Table in Annex III shows findings on the case studies discussed. Territorial partnership appears as the most common approach proving that the anticipatory strategy is not a mere entrepreneurial issue but becomes a community realm. Effective anticipation of social impact of restructuring postulates a collective design and refers to a whole process, involving trilateral dialogue.

In short, the analysis of these factors reveals that the main lessons learned can be summarised as follows:

- Effective social dialogue mechanisms: trust between the parties must be built up over time and based on previous experience of joint working and problem-solving. Social dialogue is therefore most effective when the parties have had a long-standing relationship, often but not always within the framework of official employee representation mechanisms such as works councils or collective bargaining involving trade unions.
- An institutional framework that is prepared and able to work with organisations that are threatened with redundancy.
- Strong territorial partnership with stakeholders,
- Timely availability of data and appropriate use of data.
- Coordination and information-sharing involving all relevant actors (employers, worker representatives, public authorities, regional authorities, public employment services).

The discussions during the 27 Seminars also highlighted some weak points. These were mainly related to the lack of adequate monitoring systems for ensuring reliable data on the assessment of impact, the lack of financial sustainability for supporting the existing tools for forecasting trends in the labour market, and the need for adequate instruments for supporting anticipation in SMEs.

Case Studies on Anticipation of Restructuring: Company Practices and Forecasting Observatories

List of case studies	Enterprise Social responsibility	Social Dialogue	Territorial partnership	Coordination with institutional actors	Forecasting tools availability	Funds availability
AT - Austrian Airlines	✓	✓	✓	✓		
AT - WAFF				✓		
BE - Plan of City of Seraig		✓	✓	✓		
BG - Training Programme for Unemployed People		✓	✓			✓
CY - British American Tobacco	✓					
CZ - National Regional Observatory			✓		✓	

List of case studies	Enterprise Social responsibility	Social Dialogue	Territorial partnership	Coordination with institutional actors	Forecasting tools availability	Funds availability
CZ - Competence model Moravia Silesian Region					✓	
DK - Lindoe Shipyard			✓			
EE – Eesti Põlevkivi *	✓	✓	✓	✓		
FI - Regional Foresight in South-west (TKTT)			✓		✓	
FI - VATTAG			✓		✓	
FR - Schneider	✓	✓	✓			
FR - Cap Digital			✓			
DE - GIB North West Falia		✓		✓		
DE - Tamen	✓	✓	✓			
GR - Coca Cola Hellenic	✓					
GR - Olympic Airlines	✓		✓			
HU - Territorial employment pact			✓	✓		
IE - Air Lingus	✓	✓				
IE - DELL		✓	✓	✓		
IT - Electrolux	✓					✓
IT - Abb Legnano	✓		✓	✓		✓
IT - Continuous training				✓		✓
LV - Consultative Centre			✓			✓
LT - Forecasting Trends					✓	

List of case studies	Enterprise Social responsibility	Social Dialogue	Territorial partnership	Coordination with institutional actors	Forecasting tools availability	Funds availability
LU – Competitiveness Observatory			✓		✓	
MT - Malta Enterprise			✓			✓
NL - Anti-cyclic Training in Construction Sector			✓	✓		
NL - NCSI (Dutch Centre for Social Innovation)		✓		✓		
PL - Groupa Meblwa Szynaka			✓	✓		
PT - AutoEuropa		✓	✓			
PT - HUF	✓		✓			
RO - IMSAT	✓		✓			
RO - Zoppas Samnicolau Mare	✓		✓	✓		
SK - Sario			✓		✓	
SI - Mercator	✓	✓				
ES - General Motors	✓	✓	✓			
ES - Industrial Observatories		✓	✓		✓	
SE - Scania	✓		✓			
UK - St Regis	✓		✓	✓		
UK - Proact Wales	✓			✓		

* In Estonia the selected case study was focused on the experience of a state owned company. The data and information have not been included into the analysis based on experiences from private companies.

Annex IV: Main measures for managing restructuring

Table 1: Wage reduction

Country	Details of measures
Cyprus	A set of proposals presented by the Employer Organisation (OEB) on 18 May 2009 aimed at supporting employment for the duration of the crisis, in the event that the rate of unemployment exceeds 5.5%. The proposals focus on bringing labour unions to committing themselves not to claim any pay rises for the next two years and on businesses not to increase prices on their goods and services. Moreover, IÅÅ suggested using the reserves of the Redundancy Fund to cover employer contributions, on condition that jobless individuals are hired within the first two or three months since the day they became unemployed.
Denmark	<p>A common result of the negotiations in the information-consultation procedure is that the employees accept a wage reduction or a postponement of a salary increase in order to reduce or cancel the job reductions.</p> <p>Such agreements are often criticized by labour unions, especially if they are not supplemented with guarantees to the employees. Despite this, a recent survey from Norstat Denmark shows that up to 50 % of the population is willing to accept wage reductions in order to prevent job cuts at their workplace.</p>
Sweden	In April 2009 the local trade unions and Volvo Car Corporation signed a local hang-on agreement to the central framework agreement signed by the IF Metall and the employers association Teknikföretagen. The agreement was temporary (from 1st April to 31st December 2009) and the employer promised not to announce additional redundancies during this period. On the other hand, the agreement implied a collective working time reduction and a postponed revision of wages. The employer was allowed to stop production maximum six days during a wage period. For workers who stay at home wages are reduced at most up to 4 percent every month. If the employer nevertheless decides to announce redundancies the workers are paid back what they lost. In a report published in August 2009 the Employers association Teknikföretagen claimed that more than 10 000 jobs had been saved through the agreements. Trade union representatives from Unionen, claimed in another report that it was uncertain how many jobs the agreement actually had saved and that many of their members were uncertain whether the agreement would have its promised effects.
United Kingdom	<ul style="list-style-type: none"> • Press reports have focussed on high profile calls for workers to forgo pay or other benefits in order to respond to the financial crisis. However, pay analysts Incomes Data Services point out that pay cuts and freezes represents only a minority of private sector pay settlements, but some examples have received particular attention. • The construction machinery company JCB agreed pay reductions locally with unions in January 2009, but this failed to prevent redundancies, although it was argued that there were fewer than would otherwise have occurred. • In British Airways in June, 40,000 staff were asked by management to volunteer to work for up to a month without pay. Although management reported hundreds of volunteers, and a pay reduction was agreed with the pilot's union, members of other unions have rejected the plan, and the matter is now being dealt with in arbitration.

Table 2: Wage subsidies

Country	Details of measures
Hungary	<p>Enterprises have access to job preservation subsidies through three different channels. One of three programs funded by the National Employment Fund (HUF 10 billion) is the program “Preservation” (“Megőrzés”). It is basically a wage subsidy program in which the employer agrees to keep his/her employees, otherwise to be laid off, in full employment. In this program, 75% of wage costs of enterprises employing 3 to 50, 50% of those of employers with 51 to 250 employees and 24% wage costs of larger companies are subsidised.</p> <p>However, the job preservation programs had to be suspended as early as in February 2009 because of huge over-demand. In the end, by adding HUF 1 billion to the original HUF 6 billion, the already received and reviewed applications were paid.</p>
Ireland	<p>Employment Subsidy Scheme</p> <p>In August 2009, the government announced a new stream of funding to help companies in the context of the recession. The Employment Subsidy Scheme (Temporary) will provide a subsidy of €9,100 per employee over fifteen months to qualifying exporting enterprises in the manufacturing and/or internationally traded services sectors. Qualifying enterprises must be judged vulnerable in the current economic climate but viable in the medium to long term, with such analysis being coordinated by Enterprise Ireland. The scheme is being introduced, in the context of rising unemployment, to assist in the retention of jobs and to help retain the economy's export potential.</p> <p>Over the fifteen months, the scheme will provide a maximum subsidy of €200 per full-time employee per week for the first 26 weeks, reducing to €150, €100 and €50 respectively for each of the subsequent 13-week periods. Under State Aid rules, the maximum subsidy payable to any one enterprise, or group of related enterprises, for the duration of the scheme is €500,000. The subsidy will be paid in order to retain an agreed level of jobs and the scheme will run from the 24th of August 2009.</p> <p>Eligibility for the subsidy will be restricted to those firms that meet the following criteria:</p> <ul style="list-style-type: none"> • those that are manufacturing and/or internationally traded services enterprises, • those that are currently engaged in exporting, • those that have not been in difficulty on 1st July 2008, but as established by a financial assessment is now facing significant difficulties as a result of the global and financial economic crisis, • those that are likely to have to consider redundancies within 12 months, • those that have already taken significant restructuring measures to improve their competitive position through full engagement at enterprise level on measures to sustain jobs. This could include strategies to reduce costs and improve productivity. • those that have export sales of at least 30% of their turnover in the last full financial year. Exports are defined as sales outside the Republic of Ireland, • those that employ 10 or more full time employees (working an average of 35 hours per week) in Ireland at the date of application, • those that can demonstrate that the enterprise has sufficient cash taking into account this employment subsidy to trade up to 31/12/2010 and beyond, • those that have committed to maintain a number of full time jobs until 30/11/2010, • those that are judged to have sound, robust and sustainable business models and business plans that are financially viable in the medium term, • those that are assessed as capable of growth in the global upturn.

Country	Details of measures
Romania	The tripartite debates on the anti-crisis programme started since the end of 2008 and were resumed in January 2009. In the attempt to support companies experiencing financial difficulties, the government gave an emergency ordinance in March, introducing social protection measures to be taken all along the year 2009. Among them, for example, was the exemption, for a maximum period of three months, of both employer and employees, from the payment of social insurance obligations if the employees are paid an indemnity of 75% of their base salary, in the event of temporary close of business. The same ordinance extended by three months the unemployment benefit period. This measure is also in force during 2010.
Slovakia	Provision of a state allowances to employers, which employ redundant employees for at least 60% of wages, instead of dismissing them. The subsidy is provided to cover compulsory contributions to insurance funds during 60 calendar days during the year, as a maximum. Temporary reduction of compulsory contributions to the Solidarity Fund paid by self-employers to Social Insurance Agency (Sociálna poisťovňa, SP) from 4.75% to 2% of the tax assessment base. The measure can be applied from 1 April 2009 to the end of 2010.

Table 3: Short time work

Country	Description
Austria	Short-time work provisions provide for a temporary reduction of standard working hours based on a contractual agreement between social partners (company – works council) supported by labour and wage legislation. The works agreement concluded by the social partners aims at securing jobs and compensating for employees' wage losses by means of a short-time work allowance and a further training allowance. The further training allowance is aimed at encouraging persons on short-time work to make use of reduced working hours to participate in qualification measures to the benefit of their company.
Belgium	<p>The Royal Decree of 16th May, 2003, makes provision for reductions of the social security contributions for companies which decide to implement, in order to avoid layoffs, either a collective reduction of working hours (at least one hour a week for an indefinite period) or to implement a four day week.</p> <p>In order to benefit from reductions in social security contributions, the reduction of working hours has to be determined for an unspecified period. The duration of the reduction is proportional to the reduction of working hours. It is 8 quarters for a collective reduction to 37h per week, 12 quarters for a reduction to 36h per week and 16 quarters for a reduction to 35h per week. And finally it is 4 quarters when a four day week is implemented.</p> <p>The decree of 19th June, 2009, containing various arrangements in terms of employment during the crisis establishes temporary measures which aim at adapting the volume of employment for businesses that are faced with economic difficulties resulting from the contemporary global crisis. More specifically, the act makes provision for the following measures:</p> <ul style="list-style-type: none"> • The temporary adaptation of work, also called 'temporary working time reductions' which consists of a collective reduction of working hours for a section or the whole of a company's personnel. This reduction must bear on a minimum of 1/4 or 1/5 of the weekly full time working time and must be subject to a company collective bargaining agreement. The aid consists of a reduction in social security contributions. As this reduction in working hours involves a proportional reduction of income (before reductions), the collective bargaining agreement must make provision for financial compensation for the workers. • The individual and temporary reduction of working time, which is a measure the employer can offer its personnel. The reduction must bear on a fifth or a half of the working time for a period from one to six months. A worker who accepts such an agreement receives an allowance from the National Employment Office in order to compensate for a reduction in his/her salary.

Country	Description
Germany	<p>The days without work are compensated from the unemployment insurance fund at the same rate as unemployment benefits – that is at 60 per cent of standardised net earnings (67 per cent for those financially responsible for at least one child). The employer still has to pay social security contributions for the whole period plus full wages for paid public holidays and days of paid leave There are three forms of short-time working provision:</p> <ol style="list-style-type: none"> (1) short-time allowances for cyclical reasons; (2) short-time allowances for seasonal reasons (introduced in 2007 for industries whose operations are interrupted by bad weather in the winter – mainly construction) (3) transfer-oriented short-time allowances for workers whose job has already disappeared but whose employment is to be continued for the purpose of occupational re-orientation and job placement. <p>Whereas the cyclical short-time allowance, in most cases, has to compensate only for a partial loss of work and wages, work will have stopped completely in the other two types – for only a few days or weeks in the case of seasonal short-time, but definitely in the case of transfer-oriented short-time.</p> <p>Regardless of the type of short-time working, the basic mechanism is the same in all three cases: the days without work are compensated from the unemployment insurance fund at the same rate as unemployment benefits – that is at 60 per cent of standardised net earnings (67 per cent for those financially responsible for at least one child). The employer still has to pay social security contributions for the whole period plus full wages for paid public holidays and days of paid leave – these being the days when work cannot be ‘lost’ since they would have been paid without working, anyway. These costs are referred to as ‘residual wage costs’ of short-time working.</p> <p>Though financed from the unemployment insurance fund, drawing a short-time allowance does not consume eligibility periods for unemployment benefits. In other words, where transfer-oriented short-time allowances compensate for job loss and no new job is found before the end of the transfer period, those affected will have longer overall periods during which they enjoy a wage replacement. Since recipients of short-time allowances are still employed, these payments are transferred to them via the employer’s payroll.</p> <p>Short-time allowances for cyclical reasons reached an all-time peak of 1.5 million in mid-2009, due to the crisis and a temporary increase in the generosity of their conditions and the maximum periods of eligibility. Short-time allowances for seasonal reasons seem to be on the rise slightly because of increasing publicity of this recently introduced instrument. In comparison, the instrument of concern in the context of this paper is being used to only very modest extent, and the crisis has not yet brought usage up to the 2005 level.</p> <p>One obvious reason for this new pattern is the generous expansion of short-time allowances. Traditionally an instrument for stabilising jobs in business slumps through wage replacements for employed workers whose working capacity cannot be fully utilised by their employers, conditions for receiving short-time allowances have been eased considerably in the current crisis, both in terms of maximum duration and in terms of taking over part of employers’ fixed labour costs. As a result, the number of workers receiving short-time allowances has risen to an all-time high since the aftermath of German unification when it was used to buffer the East German employment shock.</p>

Country	Description
Hungary	<p>Enterprises have access to job preservation subsidies through three different channels. In the three programs of the National Employment Fund (OFA) altogether HUF 7.13 billion, in the program “Shortening the Working Time and Training in Central Hungarian SMEs” run by one of the components (TÁMOP 2.3.3) of the “New Hungary Program”, co-financed by the EU, HUF 20 billion was earmarked for promoting employment. Altogether a HUF 47 billion funding was made available, from which the government planned to solve the employment of 100 thousand people.</p> <p>One of the programmes was called “Wage subsidy to reduce the disadvantageous effects of measures affecting employees”. In practice this means paying the wage lost through shortened working time. In this program the employer may provide training to the employee during the time not spent in work, though this is not an obligatory term of the subsidy. The goal of the program “Into Work” (“Munkába”) is to help laid off workers find employment at other employers by providing wage subsidies with similar as in the other program. A condition of getting either kind of subsidies is that the employer must retain the average number of employees during the subsidy period, independently from how many employees the employer was granted the subsidy for.</p>
Hungary	<p>Agreement between the employees and the employer about the shortened hours and reduced compensation, as well as the company’s obligation to maintain the number of employees for at least the period of support is included. Companies under bankruptcy or liquidation process, however, are excluded.</p>
Italy	<p>Job security agreement – Solidarity contracts are a collective agreement signed by the company and trade unions aimed to implement a reduction in “working hours” (daily, weekly, monthly) to avoid collective dismissal. A ‘Job-security agreement’ may be applied simultaneously with the CIGS, but it may not involve workers placed on the Wage Guarantee Fund schemes. The benefit of this type of agreement for the employer consists in a reduction in the social security contributions to be paid for the workers covered by the agreement.</p> <ul style="list-style-type: none"> • More applicable for workers with a higher wage. 60% receive of pay for non-worked hours for 24 months (no max. threshold). • Solidarity contracts for non industry sectors : Job-security agreements may cover shop-floor and office workers, as well as members of cooperatives. Job-security agreements can be applied also in firms outside the scope of the CGIS (law 236/93). • Economic protection of workers; no max. income threshold (i.e. also beneficial for high earners) • Difficulties to apply to such contracts. Very recently the contract has been changed in order to increase the potential use for whom – employers and workers – that intend to reduce the working time. The solidarity contract is to be considered anyway an useful tool for keeping alive the job and the production. The mechanism for the calculation of the benefit is more convenient of the WGF. • The limit of 12 months duration of the Solidarity contract was eliminated recently: so now the tool is more flexible.

Country	Description
Slovakia	<p>Shortened working hours with reduced wage compensation – it is also linked with the government contributions to social and health insurance funds. This allows for a short time (maximum two months in a year) to decrease labour costs and maintain employment.</p> <p>In Slovakia Flexible working time accounts (flexikonto) were also introduced by amendments of the Labour Code in March 2009. Employers having obstacles to work are eligible to the programme. Workers are on unintended time-off with full basic wages at least. After the obstacles to work are over, employees have to work out the missing working hours at the employer without a wage. The programme is applicable until the end of 2011. In several companies, mainly in the automotive industry, employees were working according individual working time accounts (flexikonto). When orders are low, employees are on unintended time-off with full wages. On the other hand, employees should work out paid leaves according to employer's demand, when orders go up again. Companies under restructuring usually reduced employment by terminating, first of all, all posted workers, self-employed, and some previously outsourced activities were again performed by own employees. In other companies, management decided to cut production costs through lower labour costs, e.g. by reduction of planned wage increases, cutting usual employee benefits and awards.</p>
Slovenia	<p>Grants subsidies to companies that introduce a shorter working week instead of laying-off workers due to a drop in demand for products or services. Companies that reduce the working week from 40 to 36 hours per week can receive a subsidy of 60 EUR for each worker. Companies are also eligible to receive additional 60 EUR for each worker if they reduce the working week to 32 hours. In such instances, the company has to conclude an agreement with the representative trade unions providing for a shorter working week; the employer is obliged to pay the worker compensation covering the difference between the 32 hours and the full working time. The employee's employment status is not changed; she or he is still employed on the full-time basis and has all rights for full-time employment. The period for which subsidies for a reduced working week can be awarded is six months, but it can be prolonged for another six months. This is a temporary measure (application possible until spring 2010).</p>
United Kingdom (Wales)	<p>Although the UK government did not accept the arguments put forward by the TUC and FSB for a subsidy of short time working in order to keep staff in their jobs, the Welsh Assembly Government put together a package of finance to do this, named ProAct. This provides up to £2,000 per head in training costs, and up to £2,000 per head in wage subsidy for companies introducing short time working as a way of avoiding redundancies. Workers must be engaged in additional training while on short time working in order to qualify, and 76 enterprises have already made use of the scheme. However, major manufacturer JCB did not apply, despite facing redundancies, because of the requirement that workers needed to undergo training to qualify.</p>

Table 4: Partial unemployment

Country	Description
Bulgaria	Many companies use the measure for temporary switch to part-time (up to three month) with the possibility to receive public subsidy equal to ½ of the minimal salary per month (120 leva). There are some evidences that since the beginning of current crisis companies increase the use of working time arrangements. In 2009 for the first time the government allocated funds and companies submitted proposals in order to receive this public aid. Since the 9th of March 2009 the Labour offices in Bulgaria start to accept the demands for compensations of workers and employees who start working part time because of the economic crisis.
France	<p>Partial unemployment is a long-standing system that enables a firm faced with a temporary fall in its economic activity or a natural catastrophe to temporarily reduce the working time of its workers or to suspend its activity. This measure is subject to the authorisation of the State and the existence of exceptional circumstances. The aim of this system is therefore to avoid economic redundancies. The workers are instead subject to a pay cut at this time. Recent reform in December 2008 and then January 2009. The maximum period of partial unemployment is now 6 consecutive weeks (instead of 4 as before). Since January 2009, on the other hand, the maximum annual quota is increased: it increases from 600 to 800 hours for all the professional branches except for the automotive branch, which increases to 1000 hours.</p> <p>Since 1 May 2009, a new update applies: if the reduction in activity lasts at least 3 months, the compensatory pay is increased to 75% of the gross hourly pay for a maximum of one year. To partially offset these payments, the employer receives a special State allowance, the amount of which varies depending on the size of the firm's workforce.</p>
Luxembourg	Companies experiencing economic difficulties can put their employees into partial unemployment. Working time is reduced in the company and grants may be allocated to these companies, which, rather than have recourse to redundancies, undertake to maintain the employment contract and to pay a compensation to employees. Applications for partial unemployment are granted by the Minister of Labor and Employment and the Minister of the Economy, on the advice of the <u>Conjoncture committee</u> . Partial unemployment can be put into action if all other possible alternatives like a reduction of the number of interim workers, a recuperation of supplementary working hours or of unused holidays have been used. It has been changed for 2009 and 2010 to adapt it to the conditions of the economic crisis.
Netherlands	The Dutch Unemployment Act includes the possibility that employer and employee make a common decision to work shorter hours instead of complete dismissal. This can provide the employee an unemployment benefit. She or he will have a lower net income than before, but higher than a full-time unemployment benefit. The employee also keeps his or her part-time contract with the employer. Reacting to suggestions of the social partners The Ministry of Labour created an extra possibility for employers, to keep their scarce skilled workers on the pay list, but with a temporary part-time unemployment benefit. The employer has to apply for a minimum period of 26 weeks and a minimum of 20 % of the working time. The maximum duration of the benefit period has been made dependent of the size of the employee group participating. One of the entry conditions is that training will be provided during PTUB, the results evaluated in a written report co-signed by the workers representatives. The government decided to continue this facility until April 2010.

Country	Description
Spain	<p>In March 2009, the government has adopted two measures, without the consensus of the social partners:</p> <p>a) Recovery of unemployment benefits in the cases of an Employment Regulation Plan (ERP), with the intention of guaranteeing that workers do not suffer a decline in their rights to unemployment benefits when their contract is suspended or their working time is reduced. This measure is estimated to increase the average duration of employment suspensions by 33%, from 83 days to 110 days per worker. Art. 3 Law 27/2009 establishes that when a company is authorised, by virtue of one or several downsizing plans or bankruptcy proceedings, to suspend working contracts, permanently or not, or to reduce the number of working days or hours, and then the termination of contracts is authorised by administrative bodies in the case of downsizing plans and by a court sentence in the case of bankruptcy, or when the contract is terminated by virtue of article 52c of the Statute of Workers, the workers affected will have the right to have reinstated the duration of the unemployment benefit for the same number of days for which they would have received total or partial unemployment by virtue of the previous authorisations for a maximum of 120 days, as long as they meet the following conditions: 1. The court rulings or administrative decisions authorising the suspension or working hours reduction were made between 1 October 2008 and 31 December 2010, both inclusive; and 2. that the layoff or the administrative or court decision authorising the termination takes place between the 8 March 2009 and the 31 December 2012.</p> <p>Moreover, this reinstatement of the benefit will be applied when, at the time when the working relationship is terminated: 1. The right to receive unemployment benefit is resumed. 2. The applicant decides to opt for an initial unemployment benefit, exercising the option foreseen in article 210.3 of the General Law on Social Security, passed by Royal Legislative Decree 1/1994, of the 20th of June. 3. When the unemployment benefit has been used up during the suspension or working hours reduction and a new right to receive unemployment benefit has not been generated. The base for the contribution and the amount to receive, during the period of reinstatement, will be the same as those corresponding to the periods for which the reinstatement is made.</p> <p>b) The appointment of bonuses to undertakings that present an ERP with suspension: 50% discount in the payment of contributions as long as they maintain employment for at least a year after presenting the ERP. This rule has probably encouraged a high increase of contract suspensions. Consequently, art.1 of Law 27/2009 dated 30th of December, highlights that companies will have the right to receive a 50% deduction on the contributions to the Social Security for common contingencies, accrued by workers whose contracts are being suspended or who are affected by the working hours reduction, that have been authorised to carry out downsizing plans, including collective contract suspensions processed in agreement with the bankruptcy legislation.</p> <p>The duration of the deduction cannot be longer than 240 days per worker. In order to obtain the deduction, the employer must maintain those workers affected employed for at least one year after the end of the suspension or authorised working hours reduction. If this obligation is not fulfilled, the employer will have to pay back the deductions received for those workers, without prejudice of the application of that established in Law of Offences and Sanctions of the Social Order, a revised text approved by Royal Legislative Decree 5/2000 dated 4th of August. This obligation will be considered as unfulfilled when the working contract terminates for disciplinary reasons in agreement with the law, for resignations, death, retirements or total, absolute permanent disability or when the worker becomes highly disabled.</p>

Table 5: Temporary lay-off schemes

Country	Description
Austria	<p>Temporary suspension of employment and reemployment commitment.</p> <p>A special form of dismissal is the so-called “lösende Aussetzung”, a temporary suspension of employment obliging the employer to restore the employment relationship after a certain period. The employee’s work contract is terminated for two to three months, during which employee registers as unemployed. The employer commits to re-employ the worker after the end of this period.</p>
Belgium	<p>Temporary layoffs of blue collar workers</p> <p>The Act related to employment contracts of 3rd July, 1978, makes provision for an employer to suspend the employment contracts of its blue collar workers when economic difficulties which cannot be attributed to it prevent the maintenance of the work rhythm within the company. The suspension of employment contracts can be total or partial (working short time) during a maximum duration of four weeks. After a suspension of activity for such duration, the employer is obliged to put the blue collar workers back to work for 7 days, unless the company’s Equal Representation Committee authorizes the temporary layoff for a longer period because of a difficult economic cycle. This period of non-activity is financed by the public authorities (National Employment Office) through the granting of unemployment benefit, the amount depending on the personal situations of the workers concerned.</p> <p>As a response to the economic crisis the decree of 19th June, 2009, establishes temporary measures which aim at adapting the volume of employment for businesses that are faced with economic difficulties resulting from the contemporary global crisis. Among other measures, this package include “white collar worker unemployment for economic reasons”, which consists of a total suspension of the execution of the employment contract (for a maximum of 16 weeks) or the introduction of a reduced time working system (minimum 2 days a week for a maximum of 26 weeks). The measure has to be justified by economic causes linked to the crisis. It is thus only available to businesses who are faced with either a reduction of 20% of turnover, of production or of their orders, or are making significant use (20%) of a temporary layoff for their blue collar workers and who have concluded a collective bargaining agreement or who have established a business plan on the subject. During the periods they do not work, workers receive unemployment benefit from the National Employment Office as well as supplement paid by the employer.</p>
Cyprus	<p>« Suspended employment » for tourist sector employees</p> <p>Due to the seasonal nature of tourism, legal measures exist in the tourist sector that provide partial unemployment benefits to employees who have been given temporary leave. The “Suspended employment” measure is based on an agreement between the Ministry of Labour and Social Insurance, the employers’ organisations and the unions. It aims at preserving the bond between employers and employees over the winter (from 1 November until 31 March).</p>

Country	Description
Italy	<p>The Wage Guarantee Fund (CIGO) is the most important ‘social shock absorber’ in the Italian system, and it is used in cases of work reduction (temporary or partial) or suspension. The CIG ensures continuity of income and employment of temporarily laid-off workers. During the period of recourse to the CIG, companies, trade unions, and, in some cases, national and local authorities, may endeavour to draw up a plan for re-launching production and safeguarding employment levels, even only partially.</p> <p>The CIG can be applied by two schemes:</p> <ul style="list-style-type: none"> • The ordinary Wage Guarantee Fund (CIGO), which is applied in cases of temporary downturns in production due to transitory reasons (i.e. temporary suspension from work and working time reductions due to transitory circumstances for which neither employer nor employees are responsible); • The extraordinary Wage Guarantee Fund (CIGS), which can be applied in serious situations of surplus workforce and to intervene in the case of corporate restructuring, reorganisation or conversion, as well as in the event of bankruptcy, liquidation or extraordinary administration. A necessary condition for access to the CIGS is that the enterprise must draw up a plan for the re-launching of production and to safeguard employment levels. <p>Application of both the ordinary and extraordinary CIG is restricted to the employees of firms operating in only certain sectors and of a certain size; in particular:</p> <ul style="list-style-type: none"> • Intervention by the CIGO can be requested only by industrial enterprises (for blue-collar and white-collar workers and middle management) and for agricultural and building workers. • The CIGS is reserved for the employees of industrial enterprises with more than 15 workers, commercial enterprises with more than 50 employees, publishing companies of any size, services firms, crafts firms and cooperatives (in all three cases with more than 15 employees) connected to industrial enterprises which, in their turn, have placed workers on the ordinary Wage Guarantee Fund. <p>Workers on the Wage Guarantee Fund gain entitlement to an allowance:</p> <ul style="list-style-type: none"> • In the case of the CIGO, the allowance (known as ‘integrazione salariale’) is equal to 80% of the worker’s last pay and may be received for a maximum of one year (which may be extended to 25 months). It is paid by the state (via the National Institute of Social Security – Istituto nazionale di previdenza sociale, Inps), but financed out of contributions by employers. • In the case of the CIGS, the income support again amounts to 80% of the last pay packet. After six months, the benefit may not exceed a ceiling established by law. The duration varies from 24 months to a maximum of 36 months over five years (which may be extended to 48 months for complex programmes). The intervention is paid by the state (via the Inps). <p>Moreover, the workers affected by the CIGS scheme must be selected according to specific criteria (in compliance with the principle of direct and indirect non-discrimination) and it is obligatory to rotate suspensions, except for technical/organisational reasons, which the competent authority may reject. The procedure for activation of the CIGS involves a phase of trade union consultation and an administration phase. With regard to the former, an employer intending to place workers on the CIGS holds talks with the company-level unions (or in their absence, those most representative locally) for joint examination of the company’s situation. The focus of these talks is (1) the plan which the enterprise intends to implement in order to resume production, (2) the number of workers to be laid off, (3) the duration of their suspension, (4) the criteria for identifying the workers to be suspended, and (5) the plan for rotating workers still employed among the production units affected by lay-offs. As regards the administration phase, the application for intervention by the CIGS (to be sent to the provincial Labour Offices and to the Ministry of Labour) must be accompanied by the company’s recovery plan, which cannot be of more than two years’ duration (although it may be extended in exceptional cases). This plan is examined and approved by the Ministry of Labour.</p>

Country	Description
Slovenia	<p>Partial reimbursement of payment compensation during temporary lay-off</p> <p>Employers may claim partial wage compensation for employees that have been temporarily laid off. Rather than dismiss workers as redundant, an employer may temporarily lay off workers, while the government pays the employer partial wage compensation. Following the period of temporary lay-off, the employee returns to active full-time work. The employer may put a maximum of 50% of its workers on temporary lay-off. In this case, the employee is entitled to wage compensation in the amount of 85% of his or her average wage in the last three months: 50% is refunded to the employer by the state, 35% has to bear the employer him or herself. Besides, there are certain minimum and maximum limits as regards the amount of the compensation and its refunding. An employer can apply for this measure for at least three months, which may be prolonged each time for additional three months, but not more than to a maximum total duration of one year. An individual employee may be laid-off within this measure for a maximum period of six months, which can only be prolonged in exceptional cases for additional six months. Workers on temporary layoff have the right and obligation to spend one fifth (20%) of their time on training. Training programmes have to be provided by the employer, but are co-financed by the state in the amount of 500 EUR per employee. An employer has to prepare a programme for the jobs that are temporarily or permanently lost, as well as the expected structure of new jobs after the crisis or the expiry of the measure (e.g. complexity, required knowledge, etc.). Before taking a decision on temporary lay-offs, the employer has to consult the trade unions at the enterprise level. This is a temporary measure (application possible until spring 2010).</p>
Sweden	<p>Agreement on temporary layoffs</p> <p>The 2nd of March 2009 a temporary framework agreement on temporary layoffs and training was closed between IF Metall and Teknikarbetsgivarna (engineering employers), Metallgruppen (metal employers) and Industry- and Kemigruppen (Industry and chemical employers). The agreement was valid until March 31, 2010. The 10th of March 2009 another agreement was made between IF Metall and the transport group, an umbrella organisation for associations and employers in the transportation sector in Sweden.</p> <p>The agreement implied that workers could be temporarily laid off from work, but would keep their employment and would be paid more than the unemployment benefit. Under the agreement, a person to be laid off from work would always receive at least 80 per cent of the monthly wage plus unsocial hours bonus. A person working two-shift and temporarily laid off from the evening shift should have at the lowest 80 per cent of the salary received before, inclusive the unsocial hours bonus.</p>

Table 6: Early retirement schemes

Country	Description
Belgium	<p>Early retirement at the age of 60 for workers who can be paid unemployment benefit thanks to an inter-professional, sectoral or business company collective agreement, a special dispensation system allows the pre-pension age to be lowered.</p> <ul style="list-style-type: none"> • To 56 for workers whose professions are considered 'heavy', who have a minimum of 33 years of professional career, of which a minimum of twenty years in a night work system or in the construction sector; • From the age of 55 for workers who have had long careers, (in 2010: 37 years for men and 35 years for women); • To 58 for workers who are less able-bodied or have serious physical problems and who can give proof of 35 years of professional experience.
Bulgaria	<p>Some employers offer people that approach the retirement age or people with health problems the opportunity of early retirement. They were entitled to receive compensations depending on their length of service.</p>
France	<p>The use of systems allowing senior workers to totally or partially cease their work before their retirement age has long been a flagship measure in supporting restructuring. This logic is reflected in multiple systems. The most well-known, created in 1963, is the special allowance of the national employment fund, permitting the payment of a substitute income (only partly replacing the wage received previously by the worker) to a worker of 57 years of age who is unable to benefit from re-employment measures and made redundant on economic grounds, until being entitled to claim full retirement.</p> <ul style="list-style-type: none"> • Possibility to access to this measure is restricted. • Firms pay early retirements without State support.
Germany	<p>Early retirement used to be the key instrument in managing redundancies, and any pro-active measures were only pursued where early retirement was insufficient to manage redundancies. Recent legislative measures aimed at cutting down on early retirement have had a considerable impact, but the preference of large employers for early exit schemes remains despite rising costs for employers. Where transfer companies are used as a first stage in a pathway to retirement, they cannot meet the objectives of re-training and job placement. The age structure and the lack of job orientation of some participants in transfer schemes who are actually oriented towards retirement may account for poor re-employment outcomes in some cases.</p> <p>Gradually introduced pension reforms have now progressed to the point where people born from 1952 on will no longer qualify for an early pension by virtue of their unemployment. As a result of this, the use of transfer schemes and subsequent 'voluntary' unemployment as a pathway to early retirement is becoming more unlikely.</p>
Greece	<p>Social policy programmes were established such as early retirement, the extension of unemployment benefits and the employment of a large number of unemployed individuals in the public sector and the social segment of economy. The role of passive measures in the context of restructuring policies also focuses on helping employees adapt themselves to the new circumstances of their production and working environment.</p>
Lithuania	<p>The Lithuanian law foresees, that if the period of state social pension insurance of employee who have been dismissed from work is not less than 25 years and their length of uninterrupted service at the INPP is at least 10 years, the GRL or the institution authorised by it shall grant them according to the established procedure pre-retirement unemployment allowance payable until they reach retirement age</p>

Country	Description
Luxembourg	In case of collective dismissals a redundancy scheme (plan social) must be negotiated with employee representatives and, where a collective agreement applies, trade unions. The goal of the redundancy scheme is to avoid or reduce the number of job losses or to mitigate their effects. The redundancy scheme is an agreement containing all the measures taken by the company at the moment of redundancy. To limit the number of dismissals, there are several measures that may be applied. Among these: reductions or adjustments of working time, voluntary part-time work. Early retirements may be publicly supported through the Employment fund, depending on the financial situation of the enterprise and on the existence of a job retention scheme.
Netherlands	For social partners the instruments for management and reparation of restructuring used in the past have lost attractiveness substantially: Early retirement schemes and funds have rapidly disappeared. There still is huge support among employees for these instruments, as they have been successfully used before. Financial conditions and regulations are however less favourable for this tool nowadays. Employees opting for the early retirement way-out of restructuring could pay a high individual price losing benefit rights and facing lower pensions. The moral aspect ('older employees make room for younger colleagues, to protect them from long term unemployment') has been kept alive, but political reality in the EU is reversed, partly as a result of government policy in the framework of the Lisbon Agenda (at least 50 % participation in age group 55 - 65 in 2010). The challenge therefore is now to keep older workers longer on the labour market, in the future maybe until 67 years. Tax facilities for early retirement schemes are no longer there. Sectoral pension funds faced huge deficits in 2008 as a direct result of the global share crisis; they have been recovering in 2009. Most of them are near or over the minimum legal financial obligations at the beginning of 2010. Employees opting for the early retirement way-out of restructuring could pay a high individual price losing benefit rights and facing lower pensions. In 2008 the average age on the labour market was 40,3 (2001: 38,3). This reflects the higher participation of employees between 55 and 65. In 7 years it rose from 34 to 45 percent. The average age is relatively high in education, agriculture, energy, the public sector and industry. Relatively low in hospitality, trade and repair, private services and construction.
Poland	People born before 1 January 1948 are entitled to early retirement as stipulated by the previous rules – they are not the subject of the “bridge” pensions regulation. Women can profit from the early retirement scheme when they turn 55 and have completed a 30-year long-employment period (or a 20-year long-employment period after which they became “permanently unable to work”); men have to turn 60 and have a period of 25-year long-employment and be “permanently unable to work” or have to turn 60 and have a 35-year long-employment history. Early retirement is also applicable to people working in specific conditions or performing a job of a special character (like railway workers, artists, steelworkers, etc). Bridge pension is the instrument introduced by law of 19 December 2008, addressed mainly to workers performing their job in difficult conditions. This instrument has replaced early retirement scheme. Till the end of 2008 there were approx. 300 000 job, performing of which entitled their holders to early retirement.
Romania	Employers who hire persons that, within the next three years, qualify for early retirement (in which case the pension is diminished in reverse ratio with the number of anticipation months) or legal age retirement, receive, from the date of each such individual’s employment until the date of his/her retirement, a monthly amount equal to 1 national gross minimum wage.
Slovakia	In case of redundancies, employees concerned can ask for early retirement when they fulfil the conditions stipulated by the Act no. 461/2003 on social insurance. Retired employee acquires the benefit provided from the old-age insurance. Present social legislation strictly regulates early retirements. Some redundant employees utilised the early retirement scheme as a suitable option for leaving the company in restructuring.

Country	Description
Spain	<p>In the case of the termination of contracts, negotiation regarding surplus jobs essentially focuses on the cost of economic compensation and the way to approach the Social Plan. Spanish legislation requires that the negotiating parties agree measures that “lessen the effects” and “limit the consequences” of redundancies, in such a way that they promote the “continuity and feasibility of the business project”. A Social Plan, together with a Feasibility Plan, has to be drawn up and discussed compulsorily in undertakings with more than 50 employees.</p> <p>In the framework of agreement bargaining within a restructuring process, most of the measures agreed in the ERE are of a compensatory nature. Voluntary dismissals with incentives, with compensations above the legal minimum, are the most common instrument used, together with other devices whereby the undertaking makes a commitment to pay the difference in income. The interested parties agree on aspects which fall within their competence including, for instance, the number of contracts to be terminated or suspended, or the redundancy payment that the undertaking will have to pay to the workers it has let go. But in certain instances, the effects of these agreements go beyond the undertaking itself, and make demands on the public purse, as in early retirement.</p> <p>The most common social measures agreed upon, and which have been judged the least traumatic in terms of a worker’s leaving an undertaking (using the worker’s age as a variable, and employing the support of the existing legislative framework), are:</p> <ul style="list-style-type: none"> • Early retirement (from 61 years of age, losing 6% or 7,5% of pension, depending on the number of years by which retirement is put forward); • Partial retirement, which cuts down working time by up to 85%, which is still paid by Social Security, as long as another employee is hired. This system, which was hardly used until 2001, was progressively used until it was limited by Law 40/2007. <p>Early retirement (pre-retirement) is quite extended in practice although it has no legal basis. Workers’ representatives and trade unions usually accept this adjustment system as the lesser of two evils, with the aim of maintaining the level of employment. The objective is to exchange older permanent contracts for other cheaper contracts (both in wages and labour costs), destined to younger workers. It works in such a way that once the contract is terminated, the employee receives unemployment benefit whilst the undertaking complements the wage percentage agreed – between 75% and 90% of the gross wage, which may reach 100% of the net wage. Depending on the agreements, payment of this income difference is maintained until workers retire early or until they retire permanently at the legal age, although some cases exist where an income-for-life is agreed.</p>
Spain	<p>The relief contract</p> <p>The relief contract figure is frequently used as a mechanism for social buffering in restructuring processes in Spain. This form implies that a person aged 60 will leave the undertaking whilst another person will enter the company instead for at least a five-year period, the so-called “relief worker”. From here, the time that these contracts will be used can be planned according to the staff’s personal circumstances.</p> <p>The 2007 reform established criteria to avoid abuse in the use of this contract in combination with retirement. Thus, from 2010, 6 years seniority in the undertaking will be required for a worker to have access to partial early retirement through a relief contract (3 in 2009, 4 in 2010, etc.). Also, access to retirement will be delayed from 60 to 61 years in 2014. From 2008 onwards, two months will be added every year. Similarly, the obligation to contribute for a certain amount of time is increased (up to 30 years in 2010, 24 in 2011), without taking extra month’s salaries into account, as a way to “protect” the system and reserve partial early retirement to those people who have contributed the most to maintaining the system. A gradual annual increase has also been established, whereby partially retired workers must work at least 25% of a working day in 2012 until they reach the age of 65.</p>
Sweden	<p>State funded early retirement programmes are almost non-existent in Sweden. If employers are interested in using early retirement as a way to reduce the workforce they have to finance it themselves. Some large employers offer early retirement programmes in the redundancy packages, but to a very limited extent.</p>

Table 7: Severance pay

Country	Details of measures
Belgium	<p>Redundancy pay due in the case of a collective layoff</p> <p>In order to soften the consequences of collective layoffs, collective bargaining agreement n°10 of 8th May, 1973, topped up this measure by establishing 'the redundancy pay due in the case of a collective layoff,' to the benefit of each dismissed worker and paid by the company. It should be noted that this collective bargaining agreement cites a particular definition of 'collective layoff' as it mentions the following thresholds: 6 collective layoffs for businesses employing from 20 to 50 workers or 10% of the average workforce for companies employing more than 60 workers.</p> <p>Its amount rises to half of the difference between the standard monthly net pay and the unemployment benefit these workers can claim (Art.8).</p> <p>With a ceiling of 2962,54€ established on 1st September 2008. In the case of a collective layoff, which occurs within the context of an enterprise closing, the worker concerned by the collective layoff only benefits from the redundancy allowance for a closed business and not collective layoff redundancy pay. This redundancy pay for a closed down business are aimed at workers who have at least one year's seniority at the company and are tied to it through an open ended employment contract. Several categories of worker are excluded from this convention's field of application.</p>
Bulgaria	<p>The Bulgarian labour legislation provides detailed provisions covering compensation for dismissal. Upon dismissal due to closing down of the enterprise or part of it, staff reduction, reduction of the volume of work and work stoppage for more than 30 days, the employee is entitled to compensation from the employer. The compensation will be in the amount of his/her gross labour remuneration for the period of unemployment but not for more than one month.</p>
Denmark	<p>The specific terms of each mass redundancy will be specified in the agreement negotiated between the firm and the employees or their representatives. All redundancies gives rise to the payment, to the workers, of the outstanding amounts that the firm owes them according to their contracts and the collective agreements. The sum is calculated as the fixed salary at the retirement date, plus the value of all benefits and the employer pension contributions. Redundancy compensation is not requested for blue-collar workers that are eligible for public pension. It makes it less costly for employers to downsize.</p>
Estonia	<p>Redundant workers are eligible to severance payments between 1 and 3 months of previous average salary dependent on length of tenure. Redundancy payments have been cut by a new Act enforced 1st of July 2009. By sharing the cost with the Unemployment Insurance Fund (UIF) the act also implies that the financial burden on the employers is reduced. The employer has to pay maximum 1 month of previous average salary independent of tenure.</p>
France	<p>Any redundancy gives rise to the payment, to the workers, of the outstanding amounts that the firm owes them and an amount linked to terminating the employment contract. In the case of redundancy, five types of redundancy payments can be paid to the workers, three of which are mandatory:</p> <ul style="list-style-type: none"> • The payments compensating paid leave; • The notice compensation if the notice – mandatory – is not given by the employer; • The legal redundancy payments. These must be paid to all workers made redundant except for cases of gross misconduct or negligence. In all cases, the calculation of these payments depends on length of service. Under the law, the redundancy payment is fixed at 1/5 of the monthly wage per year of service, added to which is 2/15 of the monthly wage per year of service over ten years. • There are two other types of payments: the contractual payments and the payments aimed at repairing damages.

Country	Details of measures
Ireland	<p>Under the Redundancy Payments Acts 1967-2007, workers receive two weeks' gross pay for each year of service, plus a bonus week. To qualify, employees must have 104 weeks of continuous service. Statutory redundancy payments are subject to a ceiling of €600 per week and are tax-free.</p> <p>Severance payments are also a central feature of severance packages negotiated at company level and these severance payments often tend to exceed the statutory minimum as set out above. A review of severance settlements in Ireland during January to July 2009 by the independent weekly journal Industrial Relations News shows that severance settlements in 2009 has been characterized by a much tougher line by employers, resulting in lower settlements. Nevertheless, the majority of companies are still offering severance settlements that are considerably more generous than the statutory minimum payment.</p>
Lithuania	<p>Employees who are dismissed from work shall be granted severance pay under the Article 140 of the Labour code and supplementary severance pay according to the procedure established by the GRL or the institution authorised by it, taking into account the length of uninterrupted service of the employee concerned at the INPP.</p>
Luxembourg	<p>A redundancy pay has to be paid to employees dismissed for economic reasons and who have a seniority of more than five years. The redundancy pay, which is exempted from taxes and social contributions, gradually increases with seniority. The employer employing less than 20 persons can opt for an extended period of notice in the case of a redundancy instead of a redundancy pay. Collective agreements and/or redundancy schemes may provide higher levels of compensation.</p>
Poland	<p>The Act of 13 March 2003 on special rules of termination of employment contracts for the reasons not related to employees defines levels of severance payment, which are the following:</p> <ul style="list-style-type: none"> • 1 monthly salary if an employee was employed up to 2 years; • 2 monthly salaries if an employee was employed between 2 and 8 years; • 3 monthly salaries if an employee was employed over 8 years. <p>The severance payment has to be paid to employees in case of individual dismissal as well as the collective dismissal in cases, where the dismissal is related to non-employee related reasons, independent whether the basis for dismissal was a mutual agreement or a notice. The same rule has to be obeyed in case of notice given to an employee and implying change of working conditions and/or remuneration. This redundancy pay does not exclude an employee from receiving other benefits i.e. resulting from stipulations of the collective agreement. The maximum severance payment for an individual employee equals fifteen monthly minimum wages - at present it is 19 140 PLN (the monthly minimum wage is 1 276 PLN) – approx. 4 380 EUR. It is important to underline that there are no additional severance payment that would be stipulated by law and would apply to the employees dismissed as the result of restructuring processes.</p>
Portugal	<p>In case of economic redundancy the worker has the right to one basic wage per year of tenure. This compensation cannot be lower than 3 times the basic wage per month. It is assumed that the worker accepts the redundancy when he receives the compensation.</p>

Country	Details of measures
Romania	According to the Labour Code, the employees may benefit from severance pay in accordance with the terms of the law and the applicable collective agreement. Likewise, the collective dismissal notification must lay down the measures designed to soften the redundancy effects, and the severance pay to be granted to the employees, in line with the legal provisions and the applicable collective agreement. As a general rule, collective agreements include provisions regarding the worth of severance pay in case of collective layoffs. For example, the collective agreement for the chemical and petrochemical industries, for the period 2007-2010, provides that, upon dismissal, the employees made redundant shall be entitled to a severance pay equal to three gross average salaries at company level.
Slovakia	<p>The Labour Code regulates provision of redundancy pay for dismissed employees. Redundancy pay does not pertain only to an employee dismissed because of redundancy, but also to an employee dismissed because of:</p> <ul style="list-style-type: none"> • the employer or part thereof is wound-up or relocated • loss of long-term capacity to perform the work performed hitherto. <p>The redundancy pay does not depend on the scale of restructuring and even in the cases of large restructurings the dismissed employees are entitled to redundancy pay according to standards stipulated by the law. Labour Code stipulates only the minimal level of the redundancy pay and enables social partners to negotiate on its actual amount.</p>
Slovenia	An employee dismissed for economic reasons is entitled to a severance payment. A minimum severance payment is determined by the Employment Relationships Act and it depends on the length of the employee's employment with the employer (the law limits the amount to ten monthly wages of the employee). Higher amounts of severance payment can be provided by collective agreements and in certain cases (more or less only for the managerial and leading staff) also by individual contracts of employment.
Sweden	The Employment Protection Act contains provisions on notification periods, priority rules in case of redundancy, and judicial remedies. But there are no provisions regarding social plans or requirements for employers to offer severance payments or transition services. The legislation stipulates that when there is shortage of work, the employer must observe the seniority rules when establishing which employees are to be dismissed. However, these rules are only half mandatory, or semi-compulsory, which means that they can be replaced by a collective agreement on selection order. Conversely, if no agreement is reached, the Employment Protection Act has to be followed to the letter. Since the application of these rules often mean that employers have to dismiss those workers who are most recently employed, employers have a strong incentive to sign agreements with their trade unions regarding alternative ways of selecting workers for dismissals. In exchange employers offer dismissed workers severance pay, prolonged dismissal periods or transition packages, including job-search training, counselling and other activities to support workers transfer to other jobs.

Country	Details of measures
United Kingdom	<p>Under the statutory redundancy payment scheme, payment depends on age and length of service (up to twenty years). This determines the number of weeks pay due, on the following basis:</p> <ul style="list-style-type: none">• 0.5 week's pay for each full year of service where age during year less than 22 week's pay for each full year of service where age during year is 22 or above, but less than 41• 1.5 weeks' pay for each full year of service where age during year is 41+ <p>The maximum week's pay that an employee is entitled to under the statutory scheme is currently £350, and this limit changes every February in line with the Retail Prices Index. Unions have argued that the limit is far too low, given that median full time earnings in April 2008 were £479 per week.</p> <p>The mean statutory minimum redundancy payment (based on the Labour Force Survey) is estimated at about £2,200. However, many employers make additional payments, sometimes as a result of collective bargaining. The CBI Employment Trends Survey 2009 survey found an average payment of £12,000, although this was skewed towards larger employers who are more likely to pay above the statutory minimum. These payments are of significant importance in assisting workers to ride out periods of unemployment. However, collective agreements are not legally enforceable.</p>

Table 8: Dismissal, advice and counselling

Country	Details of measures
Czech republic	<p>Social programmes supporting restructuring</p> <p>Since the beginning of the 1990s the steel industry has experienced fundamental changes. Social programme were launched to alleviate negative effects connected with the restructuring and laying off redundant workers in the Czech Republic. The programme was also focused on motivating dismissed employees either to find another job or to set up their own business (if an employee found another job outside the steel industry, the benefit was increased by 10-20 per cent, if an employee started up their own business, the benefit was increased by 30 per cent).</p>
Denmark	<p>Specific government grants are available from the so-called warning pool (varslingspuljen) in the case of major job reductions defined as at least 50 % of the employees at a workplace with at least 100 employees. The aim is to ensure a prompt and active response to major business closures or major redundancies of great importance to a local community.</p> <p>The warning pool is administered in the following way. The state grants each Employment Region a pool of funds specifically aimed for the warning the pool. Thereafter it is up to the Employment Regions to administer the money. The following initiatives are carried out within this measure:</p> <ul style="list-style-type: none"> • Job search assistance • Personal consultation • Vocational training • Job fair • Re-training under final pressure
Denmark	<p>A number of schemes financed by the government are available.</p> <ul style="list-style-type: none"> • Job plan • Guidance and skill development • Internships • Employment with wage subsidy • Flexibility jobs

Country	Details of measures
Estonia	<p>In September 2009, the Ministry of Social Affairs, together with the UIF, introduced an Action Plan for Reducing Unemployment and Supporting Returning to Employment for 2009-2010. The plan involves investments of 700 million EEK., financed by the European Social Fund and the budget of the Unemployment Insurance Fund (UIF). The action plan involved widening the eligibility for career counselling provided by the UIF to give wider access to active labour market measures. According to the Labour Market Services and Benefits Act, the service is only available for the unemployed and those who have received notice of redundancy. For persons still in employment, the UIF will open career information rooms. Anyone, whether unemployed or in employment, can turn to the local UIF for career information. In addition to basic information (on professions, choosing and searching for a job, the labour market and possibilities), computers will be available in all career information rooms for searching for career-related information or formulating necessary documentation for applying for a job.</p> <p>The career-counselling service run by the UIF helps people make occupational, learning and employment-related decisions. Career counselling may take place either individually or in a group.</p>
Finland	<p>“LEARNING DOORS” – COORDINATING NETWORKING IN GUIDANCE AND COUNSELLING FOR ADULTS IN FINLAND</p> <p>“Learning Doors” is a project aiming at increasing the access of adults to guidance and counselling. One of the major reasons for the project is that there are still about 300.000 adults in working life without any vocational training constituting about 10 % of the total labour force. By better access to counselling the adults will also have a better access to vocational training leading this to upgrading of the vocational competencies of the adults. As developing the guidance system and its structure the “Learning Doors” project will develop the Finnish guidance system at large. From the labour market point of view counselling and guidance services may be seen as an important support mechanism for the citizens in the labour market transitions they now face and thus as a part of the flexicurity system of Finland.</p>
Hungary	<p>Active Labour Market Policy (ALMP) measures are funded by Labour Market Fund and by the European Social Fund through the Social Renewal Operational Programme. The Ministry of Social Affairs and Labour is responsible for the coordination of the use of it. Direct support for workers (career guidance, counselling services, support for start-up own business) is provided.</p>
Ireland	<p>The Irish state employment and training agency (FÁS) provides advice and guidance on training and career options to all workers who have been out of work for at least six months. Individuals who have been unemployed for at least six months have access to training courses run by FÁS. FÁS will also help to organise interviews with potential employers and help these individuals to prepare for interviews.</p>
Latvia	<p>Since 1 September 2007, by merging State Employment Agency and Professional Career Counselling State Agency a more targeted career guidance and job placement system has been created. The State Employment Agency Career Services Department provide group or individual career and/or psychological counselling, career guidance, identification of suitable work goals, information and help when searching for a job, job retraining and work trials</p>
Portugal	<p>One of the functions of the PES is to provide career guidance to the unemployed. When an unemployed registers in a job centre, usually a Personal Employment Plan (PEP) is elaborated, outlining a strategy to promote a fast return to employment; providing personalized support to define the best possible pathway to increase the beneficiary’s employability; presents available job offers; and establishes a job search plan. The PEP is mandatory for unemployment insurance beneficiaries. The non-compliance with the dispositions of the PEP might imply the annulment of the registration in the PES and the end of the unemployment benefits.</p>

Country	Details of measures
United Kingdom	<p>Rapid response service (RRS)</p> <p>Services to support individuals affected by redundancy, in the first instance at workplace where redundancies are threatened through the employers. Provided by Jobcentre Plus. The RRS contacts the employer to offer assistance in drafting the CV of the employee, improve her/his capacity to search job, help them in matching her/his skills with vacancies, make a skills analysis, offer a job focused training etc. The funding for the Rapid Response Service is £12m in 2009/10.</p>
Slovakia	<p>Career guidance and counselling services</p> <p>Active Labour Market Policy (ALMP) measures are funded by Labour Market Fund and by the European Social Fund, through the Social Renewal Operational Programme. The Ministry of Social Affairs and Labour is responsible for the coordination of the use of it.</p> <p>Individual Action Plan</p> <p>Professional guidance for matching the personal qualification of a job seeker and the requirements of employers for performance of a particular job is included in the action plan.</p>
Spain	<p>The collapse of the construction industry led to the first legislative reaction in 2008, with the adoption of an Extraordinary Plan with measures for that sector, it was basically aimed at avoiding the massive destruction of employment. Career guidance, vocational training and labour market insertion measures were applied aimed at those made unemployed but also at those with risk of labour market exclusion. It also established the creation of benefits during the job search process (350 euros per month, during a maximum period of three months) devoted first of all to workers with serious employability problems, for as long as they participated on career guidance actions as part of their personalised market integration program, guided by vocational guidance professionals. In order to receive those allowances, the worker could not be receiving any other allowance and could not have an income higher than the monthly IPREM (Spanish Public Indicator of Multiple Effect Income).</p> <p>Finally, one of the measures of the Extraordinary Plan consisted in contracting 1,500 professional counsellors in charge of preparing personalised job-search itineraries for the unemployed. During this process, workers will be entitled to receive an economic aid of 350 euros per month during a maximum of 3 months. In 2009, the possibility of extending this measure for another two years was approved.</p>

Table 9: Dismissal and transition to a new job

Country	Details of measures
Belgium	<p>Special transition units</p> <p>The special transition unit mechanism already existed before the current crisis, as it was set up on the execution of the Solidarity Pact between the generations by the Royal Decree of 9th March.</p> <p>Previously, the transition units were only concerned with workers aged over 45, dismissed by a company declared to be under restructuring. As a reaction to the global financial and economic crisis its application has been widely extended. Since 6th April, 2009, a business of over 20 workers which announces its intention to carry out a collective layoff has the obligation of setting up a special transition unit (or to contribute to, under certain conditions, a common special transition unit or a regional special transition unit, of a reconversion cell type) through which the employer guarantees outplacement for all its workers affected by the layoff, and not only those aged over 45. The employer is committed to paying for 3 months (for workers aged under 45) or 6 months (over 45) a reclassification allowance (which replaces the advance notice indemnity and which is the equivalent of the current salary plus the extra-legal advantages) for all the workers affected and who have a minimum seniority of one year.</p> <p>If the enterprise has 20 workers at the most, the employer is only obliged to create a special transition unit if it wants to lower the pre-pension age of the personnel it is planning on laying off. In the opposite scenario, the employer is not obliged to set up such a transition unit, but it must then offer outplacement measures to all the workers over 45 who have a minimum seniority of one year, as is enshrined in collective bargaining agreement n°82 of 10th July, 2002.</p> <p>Workers who have a minimum seniority of one year in the business, whether they are on temporary contracts (including interim workers) or on permanent employment contracts are obliged to participate in the special transition unit for a minimum period of 3 months (less than 45) or 6 months (over 45).</p> <p>The transition unit is made up, at the minimum, of the employer, a representative trade union organization, a sectoral training Fund (if need be) and the regional employment department (FOREM, Actiris, VDAB).</p>
Belgium	<p>Outplacement</p> <p>In Belgium, outplacement is a measure framed by a legislation, which distinguishes between an outplacement established on a voluntary basis by the business (Collective bargaining agreement n° 51 of the 10th February, 1992) and that imposed by law.</p> <p>Collective bargaining agreement n°82 of 10th July 2002 aims to execute the Act of 5th September aiming to improve the workers' employment levels. This agreement makes provision for a right to outsourcing, for a maximum duration of one year, for workers aged over 45 years and who have worked for a minimum of one month, as long as s/he has not been sacked for a serious reason. The collective bargaining agreement makes provision for a series of qualitative criteria, which have to be fulfilled by the outsourcing agency and specifies that the cost of outplacement are to be met by the employer.</p> <p>Concerning the particular situation of workers dismissed in the context of a business company restructuring, their outplacement rights are governed by the legislation concerning special transition unit (see further below).</p>

Country	Details of measures
Finland	<p><i>Change Security</i></p> <p>In 2005 the Finnish Labour Ministry introduced a new, tripartite model/measure called “change security” which aims at supporting and activating laid-off employees. It also means some changes in the responsibility of employers. The model turned out to be a success, especially in terms of paving way for new early cooperation between the firm, employees, trade unions, staff, employment and education officials and other local, regional and national players. The change security concept consists of four basic elements.</p> <ol style="list-style-type: none"> 1) The responsibility of employers (engaging more than 10 workers) to inform employees of coming changes was added into the Finnish Labour law. 2) The employment offices have to counsel personally all the laid-offs and help them in making re-employment plans right after the employment has ceased – or even before it. 3) After making the transition plan in the employment office, the dismissed is granted a small financial aid in addition to normal allowance in order to encourage job seeking activity. 4) Before dismissal the employees have the right to take several days job seeking leave. In addition to the activation of employment institutions, also the cooperation and activity of other stakeholders and parties like labour movement and third sector actors has increased. <p>There are about 25 change security experts organized in the Employment and Economic Development Centres nationally. They have a common network, in which they exchange information and experiences. During the financial recession, especially, the situation of the increasing unemployment is being coped together in the employment institutions.</p> <p>In the evaluation report, before the recession and during relatively low unemployment, the change security model was noticed to have helped the unemployed to get a new job significantly more often than before, increasing re-employment rate of unemployed by about 2 %.</p> <p>In addition the model appeared to be significant and positively attributed cooperation platform between several stakeholders and institutions.</p>
France	<p><i>Employment safeguarding plan</i></p> <p>The employment safeguard plan (Plan de sauvegarde de l’emploi) occupies an important place in mass redundancy procedures affecting a large number of workers. The employer’s obligation to establish an employment safeguard plan has a dual dimension, (1) to plan measures to avoid redundancies, (2) to plan measures to ensure the transition of workers whose redundancy could not be avoided. The law provides a number of examples:</p> <ul style="list-style-type: none"> • Measures for reducing or managing the working time • Actions with a view to internal re-employment. Within this context, the use of a specialist firm to manage a transition unit is possible (see below). • Actions favouring external transition • Training, validation of experience acquired or retraining • Creation of new activities.

Country	Details of measures
France	<p><i>Transition units</i> are a measure assisting workers transition to a new job that is almost always included in employment safeguard plans. These units were set up in the middle of the 90s as a mandatory element of any serious employment safeguard system. They are a place in which to capitalise support practices for professional transition in the event of redundancy. They can be fully or partly funded by the State through the national employment fund. The level of State aid varies, notably depending on the contributory capacity of the firm.</p>
France	<p><i>Personalized transition agreement</i></p> <p>The law adopted in 2005 has introduced this system for which firms with less than 1,000 workers are eligible. It offers to the workers affected by the redundancy the benefit of a personalised transition agreement. It has just been renewed and improved by both sides of industry at a national level, through an inter-professional national agreement dated 23 December 2008. Workers with a contract terminated can benefit from actions aimed to favouring rapid re-employment: psychological and social support, skills assessment, vocational guidance and training. The services are provided by the public employment service, called the Employment Pole. The worker can refuse the proposal.</p>
France	<p><i>Transition leave</i></p> <p>The transition leave tool, set up by the law in 2006, is a resource that can be used as part of a human resource planning approach, although it can be implemented during or after an economic redundancy procedure. Before any economic redundancy, the procedure aims to grant voluntary employees a leave with which to try out new work while enjoying a protected status. The system is open to firms with more than 1,000 workers who have signed a GPEC agreement.</p>
France	<p><i>The professional transition contract</i></p> <p>Set up on a trial basis in a number of specified employment areas, the professional transition contract (CTP) is aimed at workers whose economic redundancy is planned in a firm that is not obligated to offer “transition leave”. In the firms in question, the obligation on the employer to propose a professional transition contract substitutes the obligation to offer a personalised re-employment agreement. Maximum term is 12 months to supervise the professional transition process, which may include support measures, training periods and work periods within firms or public organisations.</p> <ul style="list-style-type: none"> • The system is regarded as costly due to guaranteeing the large wage offered to those who are part of the system. • In terms of re-employment, observations remain incomplete due to a lack of sufficient evaluation.
Ireland	<p>Special inter-agency task forces designed to fast track the design and provision of services in response to significant impending job losses.</p>
Germany	<p><i>Redeployment in the internal and sectoral labour market</i></p> <p>The social partners at regional/sectoral level have created collectively agreed frameworks through which workers from companies experiencing a temporary slack may be redeployed in a neighbouring company with temporary excess demand, without severing contractual relations with the former employer. The measure is regarded as a way to avoid lay offs, but only if the restructuring does not exceed a certain quantitative level.</p>

Country	Details of measures
Germany	<p>Job transfer schemes</p> <p>Under a job transfer scheme, the employer will offer the workers the termination of their existing open-ended contract in exchange for a fixed-term contract with a third party specifically created for such purposes, a so-called transfer company. In return for giving up legal employment protection by voluntarily entering into a fixed-term contract, the worker will receive a temporal extension of his or her employment beyond the notice period, plus outplacement-related services generally delivered by the transfer company. If the worker should later become unemployed, this will be regarded as the automatic result of the fixed-term contract expiring. Traditional redundancy payments will thus be supplemented by outplacement services, and financial subsidies may work as an incentive for labour market transitions.</p> <p>The advantages of this measure are:</p> <ul style="list-style-type: none"> • For the Employers: a quick and “clear“ dismissal (waiting until the end of the period of notice is not necessary and the risk of legal claims against the dismissals are avoided). • For the dismissed employees: extension of the periods of payment of unemployment allowances which are oriented on the former income; in most of the cases: above-average support of one's efforts to find a new job. <p>The disadvantages are:</p> <ul style="list-style-type: none"> • The legal and institutional framework of employment transfer is very complicated. • Employment transfer covers only a part of the “landscape” of dismissing companies because of the obligation of the combination with a social plan. • Most of the SMEs are excluded because worker's councils in that size of companies normally do not exist.
Germany	<p>Transfer measures</p> <p>Less expensive ‘transfer measures’ subsidises outplacement training for workers selected for redundancy because of restructuring while they are still employed by their old employer. The subsidy is 50 per cent of total cost but at a maximum of 2,500 Euros per participant. The objective of transfer measures is to support transitions into a new job even before the end of individual notice periods. Transfer measures and transfer companies may be used successively but not simultaneously, with the transfer measure first filtering out those who are easier to place and the transfer company later taking over those harder to place. From the employers’ perspective, transfer measures make sense if the worker is still needed for production during the notice period, whereas job transfer schemes make more sense in the context of immediate redundancies and long notice periods extending far beyond the intended usage of the workers’ capacities. Transfer measures (according to 216a SGB III) are not at all widespread and not very ambitious in terms of labor market-related quality.</p>
Germany	<p>Outplacement services without using a transfer company</p> <p>Outplacement services provided by transfer companies consist of profiling (assessment of competencies), job search training and coaching, vocational training, and job placement. Internships or temporary work with other employers, with a guaranteed option for return into the transfer company, may play a role in supporting more lasting transitions. Some transfer companies are licensed to act as temporary work agencies, or they co-operate with such agencies. Given the status of participants as ‘employees’ of the transfer company, failure to actively participate in the measures offered can, in theory, be sanctioned by dismissal for reasons of conduct.</p> <p>Measures of employment transfer (according to §216a SGB III, thus without a transfer company) can be carried out during the notice period and conform to the necessity to carry out measures of outplacement in an as early stage as possible).</p>

Country	Details of measures
Hungary	<p>“New Prospects”, the third National Employment Fund (OFA) program, is open for companies who make efforts to make the redundancy procedure humane. The program is designed to encourage outplacement because it is not a practice in Hungary yet. In this program an outside service provider assists the employer to find a job the soonest possible, and the subsidy covers the costs of companies buying this service.</p>
Italy	<p>Service which informs redundant workers and directs them to jobs which match their aspirations and skills, on the one hand, and market demand on the other - this is regulated by legislative decree 181/2000 (amended and supplemented by legislative decree of 11 April 2002).</p> <p>SSA or Ammortizzatori sociali provide the basic framework for managing industrial changes and restructuring. SSA is an income support used often in conjunction with other measures meant to ease reorganisation and reduce the impact of restructuring (vocational training, counselling, outplacement services, etc.).</p>
Italy	<p><i>Mobility procedure</i></p> <p>The main function of this measure is to restrict, as far as possible, the effects of collective dismissals on company employment and on the labour market. On conclusion of the ‘mobility procedure’, if it is still necessary to reduce the workforce, the employer may select the workers to be ‘placed in mobility’:</p> <p>Mobility procedure of up to 75 days (joint examination of the enterprise, trade union, experts, PES of the enterprise's situation and alternatives), selection of employees to be dismissed according to specific criteria.</p> <p>Redundant workers are placed on the mobility list and are entitled to the mobility allowance if they have 12 months of service (at least 6 of actual work) equal to the CIGS allowance for the first 12 months, 80% of it afterwards. Duration varies according to age of the worker and location of the enterprise (12-48 months). Regional government may organise retraining for redundant workers. Companies receive benefits if employing workers on the mobility list (e.g. reduced social security contributions).</p>
Netherlands	<p><i>Mobility Centres</i></p> <p>The March 2009 Pact agreed on a network of 33 regional Mobility Centres, covering the whole country. These centres are a result of an initiative directly related to the actual crisis. According to the Ministry of Labour, a mobility centre is 'directed to guide employees threatened to be dismissed as quick as possible to another job'. They are guided to a new job or are posted with another employer. Training can be part of the deal. Mobility centres can be focused on a company, a region, or (part of) a sector.</p> <p>Regional stakeholders work together to immediately help employees facing unemployment to get new jobs in their own sector or in another sector, and/or get training needed for further employment. Public-private cooperation is guaranteed. It covers the whole country.</p> <p>There are still not many overviews of what the centers do and achieve. They do not dispose of an internal evaluation system.</p> <p>A better harmonization between public funding (national, unemployment benefits and facilities, local communities) and private (company money, sectoral training funds, CLA facilities) is still needed according to social partners. In Emmen, in the North East of the country the center reported 500 dismissals from three company closures in August 2008, shortly before they started. Of these 500, half a year later 62 % had a new job, 16 % was in a training-with-job guarantee scheme.</p>

Country	Details of measures
Poland	<p>Outplacement services</p> <p>Outplacement services are usually financed by employer, is a part of the negotiated social package and are specifically addressed to the dismissed workers. The most popular practice is that it is delivered by an external consultant/-s. Outplacement services include such initiatives as professional career guidance and counselling, training programs and assistance to start ups – counselling or coaching for these employees who have decided to set up their own businesses.</p>
Slovenia	<p>Transition leave</p> <p>In Slovenia, there is a legal obligation of the employer to offer to the dismissed employees “time off” in order to search for and hopefully find a new job. If an employee is dismissed for economic reasons she or he is entitled to paid absence from work during the period of notice for a minimum of two hours per week. Some collective agreements may provide for longer periods of paid time-off during the period of notice.</p>
Sweden	<p>Job security councils</p> <p>A job security council is a kind of non-profit foundation, which provides employees who have lost their job due to collective redundancies support in their efforts to find new employment. These councils are based on collective agreements between social partners in a branch, sector or an occupational area, for example white-collar workers in the private sector. Job security councils are actively involved in the process of restructuring and provide advice and consultation to the employers and trade unions at an early stage in the process. They also provide transition services and guidance to workers who are made redundant. Under certain circumstances the agreement even makes provision for a financial compensation as a complement to the general unemployment benefits exceeding the so-called A-kassataket (the maximum amount of unemployment benefits a person is entitled to). Should a person find new employment, though lower-paid than his/her previous job, the job security agreement makes provisions for the payment of the difference over a limited period. These activities are financed through fees from the companies concerned that are calculated and expressed as a percentage of the sum of salaries and wages (0,3 percent of the labour costs).</p>
Sweden	<p>Several employers have implemented programmes offering workers to voluntary leave the organization, backed by transition services and prolonged dismissal periods. The results of such programmes have been highly successful in terms of the extent to which dismissed workers have found new employment.</p> <p>An interesting example: at Astra Zeneca, there are three restructuring packages available: the redundancy package, the voluntary package, the early retirement package or a combination of the three. These packages are already negotiated with trade unions in a general agreement, and can be applied whenever there is restructuring needed within the company. The conditions for employees varies dependent on their tenure in the company. The voluntary package, for example includes an offer of 4 months dismissal period for workers who have worked for the company at least 2 years. For workers with longer tenure dismissal periods can be up to 6 months. During this period the dismissed workers are released from work duties and they are offered outplacement counselling from external outplacement agencies up to 24 months. They are also offered cash 10.000 € if they would like to start up a new company. They are also offered income support beyond the dismissal period between 6 and 9 months dependent on the length of their tenure.</p>

Table 10: Training for transition

Country	Details of measures
Bulgaria	<p>Training, guidance, coaching</p> <p>There are about 800 licensed training centers in the country but only two professional orientation centers. At the beginning of January 2010 the labour administration is introducing voucher scheme for unemployed people. However, Bulgarian experience shows that there is not enough skills and actors that could propose meaningful coaching and guidance for people that could be made redundant.</p>
Cyprus	<p>Transition from low productivity to high productivity work positions was implemented by the Cyprus Productivity Center. The measure provide enterprises with a training scheme to replace low productivity work positions with high productivity work positions.</p>
Cyprus	<p>Emergency Plan for the Training of Unemployed <i>in Business</i></p> <p>Based on a partnership of the Department of Labour of the Ministry of Labour and Social Insurance, the Human Resources Development Authority, the Cyprus Productivity Centre and the Higher Hotel Institute of Cyprus (HHIC) aims at including unemployed in “in-house” training programs (including the unemployed in the tourist industry during the winter months). This project is one of the five plans of the Special Action Plan implemented by the Human Resource Development Authority with the aim of warding off unemployment.</p>
Czech Republic	<p>Government funded training programs</p> <p>The programmes “Educate Yourself” and “Training is a Chance” can help companies overcome the problematic times with minimal reduction of employment.</p> <ul style="list-style-type: none"> • The programme “Educate Yourself” is aimed at employers, who have to reduce the production due to impacts of present economic downturn and they would reduce the number of employees consequently. They can obtain financial sources for the support of education (training) of their employees, which leads to an increase of human capital stock of the workers (and the firm as well) and to partial coverage of wage costs, which enable to overcome the temporary deficit of demand with “whole team” and start the production immediately with the growth of demand. • The programme “Training is a chance” can also be used for overcoming problems connected with economic downturn, although there is no need to prove any drop. <p>RESTART Programme, which has been launched in September 2009 by Ministry of Labour and Social Affairs, is focused on workers in restructuring branches, who are endangered by unemployment or who are going to be laid off. The project offers them a chance to increase the probability of their re-integration on the labour market through wide range of activities, which include diagnostics, psychology counselling, financial counselling, labour-law education, training of soft skills, computer skills and language skills, training of job-searching methods, re-skilling (vocational training) and job mediation, whereas the mix of activities will be set according to individual needs of each person</p>

Country	Details of measures
France	<p>Re-employment leave</p> <p>The aim of this leave is to enable the worker in firms with less than 1,000 workers, to benefit from training and the services offered by a support unit (when searching for new employment). At the outset, this could mean creating a skills sheet to define the worker's vocational project and the necessary training or validation of experience acquired. These actions are funded by the employer and cannot be charged to its contribution to the sectoral vocational training funds.</p>
Greece	<p>Vocational training programmes for the unemployed and employees, employer subsidization programmes so as to employ unemployed individuals and to the subsidies granted to unemployed persons to set up their own business, all of which are mostly financed by the European Social Fund.</p> <p>The ultimate goal of these interventions is to limit the social protection policies involving the unemployed, that are now described as passive, and to replace them by the so-called active intervention measures.</p>
Latvia	<p>The SEA offers to unemployed persons various options to improve or acquire qualifications by introducing a new voucher system.</p> <ul style="list-style-type: none"> • Formal professional training: The aim of the new measure is to provide an opportunity for the unemployed with initially gained or unfinished higher education within 18 months to gain higher professional qualification • Informal education: Informal education includes the acquisition of systemised social and vocational basic abilities appropriate for the changing requirements of the labour market, such as computer skills, driving skills and book-keeping skills. • Training with an employer: employers have been offered the opportunity to take unskilled employees as apprentices in professions that do not require an official state-issued educational certificate • Promotion of adult participation in lifelong learning: introduced with an aim to enable the development of professional skills and promote the sustainable preservation of jobs. It will apply to employees over 25 years of age • Promotion of self-employment and entrepreneurship: This measure is targeted at those unemployed people who already have some kind of business-related education, or some other formal or informal education
Luxembourg	<p>Tailor-made training measures for unemployed individuals can be applied transversely to nearly every economic sector, company or business federation that diagnoses a particular need for more highly skilled workers in the context of company expansion or general economic growth. The architecture of tailor-made training measures for unemployed people rests upon the following main pillars: when a lack of skilled workers is identified either by companies, a particular business federation or an economic activity sector, the basic skills required are defined and the National Employment Agency proceeds to a pre-selection of possible candidates from their list of registered jobseekers who are able to commence a work-based, business-orientated training scheme and/or an internship in a company in which the shortage has been pinpointed.</p>
Malta	<p>Training Aid Framework (for employed people). This scheme consists of financial assistance to those companies that invest in the training of their workforce. Funds are available to companies in the private sector and the subsidy varies according to the type of training and the size of the enterprise. Training can be in-house or out-sourced and can be given in Malta or abroad through distance learning. The maximum amount available to each company is €25,000.</p>

Country	Details of measures
Netherlands	<p>From-work-to-work</p> <p>In cases of restructuring and threats of massive unemployment, more and more stakeholders opt for the work-to-work option: unions and management no longer concentrate on financial compensation, but try to combine reactive and anticipative strategies by keeping these employees in the labour market. Either posted with another employer, either by way of an intermediate training situation, or even in steps towards self-employment using social plan facilities to make a professional start. The new(er) instruments are for instance:</p> <ul style="list-style-type: none"> • Continuous employability building (also as a precondition to enable the older workers of the future to participate and maintain their personal mobility) • EVC (accreditation of prior learning – see point 2) • Career orientation • Keeping school leavers out of the unemployment system by offering continued training or a trainee place with an employer • Bringing all possible stakeholders for labour market participation together (in the region or virtually) • Keeping skilled employees made redundant in the sector, preventing future shortages of professionals by temporary measures. <p>The measures are regarded as an alternative way to reduce the financial cost on early retirement schemes and income compensations during unemployed periods. It is also regarded as a way to increase the labour market participation of adult workers.</p>
Poland	<p>State support for companies giving training and retraining to workers threatened with redundancy</p> <p>Instruments to cope with skill gaps are included in the Act of 20 April 2004 on promotion employment and labour market institutions. People threatened with were in a way “caught” by the system: only when they became unemployed, they were entitled to some public service employment offer. Recent amendments to the mentioned act on employment promotion and labour market institutions stipulate that employer aiming at dismissing at least 50 workers in the period of 3 months is obliged to agree with Poviast labour office on the range and forms of support for redundant workers. This support means offering job broking services, vocational counselling, trainings and assistance in active job search. This regulation is not yet operational, but gives legal grounds for offering retraining programs to employees before they lose their job.</p>
Portugal	<p>Qualification -Employment Programme</p> <p>Viable firms experiencing a temporary fall in demand can use this programme to update the skills of their workers taking advantage of unused production hours on condition the level of employment and redundancy processes is maintained.</p> <p>The programme is regarded as able to prevent redundancies by creating additional incentives to firms that decide to provide training to their workers. Firms can only apply to the programme if they maintain the employment level. This may disincentive some firms from applying to the programme. No data on outcomes.</p>

Country	Details of measures
Portugal	<p>Support plans for specific sectors</p> <p>Short term and medium/long term measures to support sectors most affected by the crisis. The government addressed the most urgent problems by preparing solutions for the financial difficulties of these firms seeking to minimise bankruptcies and probable layoffs due to the decline in the volume of orders. To that end, the Training-Employment Programme (TEP) was launched in January 2009. Training courses for workers in this sector were outlined with the participation of key stakeholders. Under the TEP, firms can allocate unused production hours to increase the skills of their workforce. These specific plans present more targeted measures that are more able to address the needs of each of the sectors considered. Social partners participated in the definition of these plans nevertheless in some cases they would have liked to have a more important role in the design and implementation of these plans. No data on outcomes available.</p>
Romania	<p>Social protection measures for mitigating the effects of collective dismissal</p> <p>The condition of the unemployed and the social protection measures for them were regulated for the first time in 1991 in Romania. Social protection measures meant to mitigate the effects of the collective dismissals through support for the vocational readjustment or retraining of the dismissed employees.</p>
Slovakia	<p>Support to training and re-training: Training and re-training programmes for the extension and restoration of skills needed at the labour market can be provided to all or most of the dismissed workers.</p>
Spain	<p>Sectoral Restructuring Plans</p> <p>Sectoral experiences related to the need for restructuring. Agreements between trade unions, employers and the administration for plans to support sectors/industries, with social and labour support measures aimed at maintaining levels of employment. The measures proposed are similar across all sectors and focus on: facilitating professional retraining; the reintegration into the labour market of workers of 52 and above; aids to workers whose intention is to set themselves up on their own account; external reposting services; and measures to facilitate access to partial retirement.</p> <p>Other specific Support Plans for individual sectors: toys, shoemaking and footwear components, tanning and leather goods, wood and furniture.</p>
Sweden	<p>The Swedish labour market policy makes use of labour market training to a lesser extent. This is a direct effect of national evaluations of the experiences of labour market training during the 1990s. As a result the government has put more restrictions on the use of training as a labour market policy in favour of measures to stimulate employers to employ long-term unemployed, so called job guarantee programmes. The public expenditure on labour market training in Sweden has decreased since the mid 1990s, while expenditure on employment incentives, such as reduced employer taxes has remained stable during the last decade.</p>

Table 11: Validation of experience

Country	Details of measures
Estonia	<p>Accrediting Prior Experiential Learning, (APEL)</p> <p>The APEL system aims to evaluate all the knowledge and skills a person has acquired, wherever these have been acquired. The purpose of using the APEL system can be to support continuing studies or to recognise formally the skills the person has acquired. This would also make the person more competitive in the labour market and make their qualifications more visible to employers. It can be used upon entrance to an educational institution, in continuing interrupted studies, for changing study programme or for acquiring professional certificates. The APEL system takes into account previous studies, vocational training, independent learning, and skills and knowledge acquired at work.</p> <p>It uses these tools:</p> <ul style="list-style-type: none"> • Application form – most educational institutions which use the APEL system have their own application forms for accreditation of prior learning or working experience. • Portfolio – a collection of materials which indicates the strengths of the person, their skills and experience. The materials must provide evidence and be assessable. • Interview – enables applicants to present earlier achievements and discuss their experience. Interviews can be either individual or in a group. • Traineeship report – can also cover work experience. • Observation – to assess the skills of the applicant. Appropriate for the assessment of technical or social skills. <p>Those principles were developed as part of an extensive European Social Fund project during 2005-2008. Since 2004, the APEL system has been used in higher education. In vocational education, the system has been piloted but is not mandatory. All the educational institutions analysed in 2008 had APEL counselling systems. Compared to 2005, the importance of counselling activities, and the number of counsellors, has increased. The analysis pointed out that accreditation of previous educational experience is more common than that of work experience. This is mainly because assessing work experience is more complicated than assessing educational experience. A positive development is that, compared to 2005, students are better informed about the APEL system and more interested in it. They are more aware of accreditation of learning experience, and interest in it is increasing. The research points out that the biggest problem is accreditation of work experience, due to its novelty and complexity. This problem might be solved by unified requirements for accreditation.</p>
France	<p>Set up by the law in 2002, the validation of experience acquired is a system allowing any person engaged in active life to obtain all or part of a diploma or vocational certificate, where a panel validates the experience, primarily but not only vocational experience, that the person has acquired. The system affords access to State diplomas and also vocational certificates issued by the professional branches. A procedure sets out the methods of informing the worker, the conditions of admissibility of his/her request and the appraisal of the worker by a panel.</p>

Country	Details of measures
<p>Netherlands</p>	<p>EVC (Accreditation of prior learning - APL)</p> <p>EVC is a procedure to translate work experiences and unofficial learning into formal certifications. This can help employees to move to other jobs inside or outside their company for which these recognized certificates are conditional. In 2009 more than 100 institutions offered employees APL. The Ministry of Labour co-ordinates the activities. The tool is a vast potential form of empowering employees, and makes them less vulnerable for restructuring. Pilot initiative in The Hague. The pilot revealed the hidden talents and competences which can be unveiled and certificated by EVC procedures.</p>
<p>Spain</p>	<p>Recognition of Competency acquired by experience in the workplace or informal training</p> <p>In June 2009 the Government passed a Royal Decree on the Recognition of Competency acquired by experience in the workplace. This norm makes it possible for professional experience and the knowledge acquired to be recognised as counting towards a training qualification or certificate of professionalism.</p> <p>This measure, adopted by the State as a whole, constitutes an important step in the modernisation of the system of professional training, and consolidates earlier experiments. The Device for the Assessment and Recognition of Competency of the Autonomous Community of the Basque Country (since 2005)</p> <p>With this measure Spain follows in the wake of other countries such as the United Kingdom, France, Finland and the Netherlands, which have already implemented this System of the Recognition of Competency, and which has been approved of by the EC.</p>

OTHER MEASURES

Table 12: Support to specific groups

Country	Details of measures
Greece	<p>If a labour agreement is terminated, OAED pays an unemployment benefit to the dismissed workers under certain conditions and for a specific period of time. For an unemployment benefit to be granted, the following conditions should be met:</p> <ul style="list-style-type: none"> • Valid termination of labour agreement • Specific number of working days prior to the termination of labour agreement <p>The duration of the benefit depends on the days worked by the insured person during the aforementioned crucial periods (14 months, 12 months or two years).</p> <p>Unemployment measures are temporary measures just for surviving.</p> <p>Lack of institutional framework for taking care redundant workers and therefore costs of passive measures for reducing negative consequences are enormous.</p>
Latvia	<p>The target group of the complex aid measures are the unemployed persons to whom special social exclusion risks have been determined.</p> <ul style="list-style-type: none"> • Measures for certain groups of persons: This programme is targeted to the groups of people at a risk of social exclusion. • Paid temporary work: Paid temporary works are low skilled jobs for up to 6 months duration which aim to preserve skills and maintain income for unemployed, particularly long-term unemployed. • Public works programme: The measure comprises low-qualified community jobs in municipalities (with no commercial aims – like cleaning, improvement and maintenance of public infrastructure (parks and other public areas), small infrastructure building
Malta	<p>Minister of Social Policy/ETC, launched in 2009 the Employment Aid Programme (for unemployed people in disadvantage position) financed by EU funds. Through this programme those employers who recruit these persons are provided with financial assistance, which is in form of a generous subsidy in the salary of these employees, as well as in the employer's contribution to the employee's National Insurance.</p>

Country	Details of measures
Netherlands	<p><i>Action Plan Youth Unemployment</i></p> <p>250 million Euros have been made available for youth unemployment, as a key restructuring problem. The plan presents five major spearheads:</p> <ul style="list-style-type: none"> • to keep youngsters longer in the school (the School-Ex programme). Target is to hold 10.000 VET pupils with low labour market perspectives one more year at school; • covenants with 30 regions, producing 30 regional plans combating youth unemployment; • a 'matching offensive', confronting and guiding employers' and the qualities of young labour market entrants; • a commitment of and with social partners to create a trainee place in a company for any youngster in unemployment longer than 3 months; • special provisions for 'vulnerable youngsters', combining care, education, guidance and labour market orientation. Some pilot projects have already started. Youth unemployment is suddenly a key restructuring issue. <p>Concrete results of the Plan will not be visible before spring 2010.</p>
Portugal	<p><i>Supporting employment of workers with low wages</i></p> <p>In 2010, the employer's mandatory contributions to SS associated with workers that earned the minimum wage in 2009 or at most 475€ and are expected to have a raise of less than 25€ in 2010 were reduced by 1 p.p. These incentives seek to minimize the effects of the crisis in more vulnerable groups.</p> <p>Substitution effects and displacements effects might arise. No data on outcomes. Need of a surveillance system.</p>
Slovakia	<p><i>Support to vulnerable groups of job seekers</i></p> <p>Contribution for employment of a disadvantaged job seeker forms a part of supporting the creation of new jobs. The aim of this measure lies in the stimulation of employment of those groups, whose competence to succeed at the labour market is not possible without the intervention of active measure.</p>
United Kingdom	<p><i>Young persons guarantee – Future Jobs Fund</i></p> <p>It was announced in April 2009, offering either all those who had been unemployed for 12 months a new job through the Future Jobs Fund or an existing job in a key employment sector; work focused training; or a place on a Community Task Force. The first Future Jobs Fund contracts have now been announced, offering 47,000 jobs from October 2009.</p>

Table 13: Stimulus for hiring unemployed

Country	Details of measures
Estonia	<p><i>State aid to employers hiring unemployed people</i></p> <p>Under the wage subsidy scheme, an employer can apply for reimbursement of up to 50% of the salary paid to an employee if hiring a person unemployed at least for six months (3 months if aged 16-24). However, there is no indication of whether the possible effects of such measure have been considered. Earlier research suggested that the efficiency of employment subsidies (in terms of net job creation) is limited by the upward pressure they exert on wages. Also, calculations suggest that, if applied to a large proportion of the labour force, employment subsidies are very costly and do not pass cost-benefit analysis. Still, if targeted at particular groups, net employment in the economy can be raised. Nevertheless, it might stigmatise participants by conveying a negative signal to potential employers (European Commission, 2006). As the wage subsidies in the Estonian case target the long-term unemployed, these risks should be analysed by the government and measures taken to manage them. It is deemed cost-effective to target employment subsidies at special groups among the unemployed, provided there is close monitoring of firms' behaviour in order to curb potential misuse (European Commission, 2006). The need for such monitoring was confirmed by Leetmaa et al (2003) after analysing the effectiveness of the Estonian ALMPs. However, due to the lack of reliable data, it was not possible to give any exact estimates of the effectiveness of the measure. Still, 64% of those who had received a wage subsidy estimated that working for the company had increased their employability.</p>
Lithuania	<p><i>Subsidised employment</i></p> <p>Wage subsidies shall be paid to employers who place unemployed people additionally supported in the labour market. These include people with disabilities, long-term and senior unemployed individuals, people growing children or looking after sick family members, other jobseekers.</p>
Cyprus	<p><i>Emergency plan for the hiring of unemployed</i></p> <p>The plan, proposed by the Ministry of Labour and Social Insurance, is aiming at providing support to businesses hiring unemployed persons. The budget for this project is EUR 6 million and provides financial assistance amounting to 30% of wages.</p>

Table 14: Job creation

Country	Details of measures
Hungary	<p><i>Employment creation companies</i></p> <p>The model of employment creating companies was developed on the territory of the former GDR in the 1990s. These companies took over employees on the collective redundancy lists and through various services helped them improve their employability and find new employment. The Steel Foundation of ISD Dunafer was set up essentially with this purpose in 1994 by the state-owned company itself (rather than directly by the state), knowing that the crisis in the foundry industry would hit this company, too. The Fund was retained after privatization of the company and now works to achieve its original goals in the current economic crisis. The period of assistance provided by the Fund is one year, which can be prolonged by one year upon the request of the assisted employee.</p>
Ireland	<p>Six months of work experience to individuals is provided.</p> <p>The programme is administered by FAS</p>
Lithuania	<p><i>Public works</i></p> <p>Public works are one of the most widespread active labour market policy measures implemented in EU Member States. Public works are related to the creation of direct jobs by the State. They are usually established on a temporary basis and cover jobs that are useful for societies or local communities. Usually unemployed people are hired for public works in order to maintain their work skills and have an opportunity to earn funds required for their necessary subsistence.</p> <p><i>Support for job creation</i></p> <p>The new version of the LSE defines several cases when under conditions of the crisis, with the number of created jobs being far fewer than the number of liquidated jobs, the State provides weighty financial support (up to 40 MW or LTL 32,000 / EUR 9,290 subject to the measure) to persons establishing new jobs for unemployed people</p>
Portugal	<p><i>“Employment Insertion Contracts and +”</i></p> <p>Their main aim is to: (1) increase the skills of the unemployed and (2) to provide a connection to the labour market especially to the long term unemployed. To that end, the candidates have the opportunity to develop socially necessary work. The unemployed that can apply to this measure include: unemployment insurance beneficiaries, unemployment assistance beneficiaries, or beneficiaries of the social insertion income. 12 months duration. Helps people to go back to the labour market. Some of these measures are not completely effective. Sometimes through those measures there are some benefits for employers that can recruit young with low wage but not for workers.</p>
Portugal	<p><i>Support for local employment initiatives</i></p> <p>This Programme aims to support projects that give rise to new institutions that are able to create employment and to introduce new dynamics at the local level. The unemployed and individuals in risk of redundancy may apply to this programme. The support given to these initiatives includes: help with the recruitment and training of the new workers; training in management in order to develop the skills of those in charge of the new institutions, and consultancy in several areas (e.g. financial, human resources, marketing, and operations management).</p>

Country	Details of measures
United Kingdom	<i>Care first</i> 100,000 job opportunities will be offered in the “sectors of the future”: 50,000 jobs in the caring sector through the establishment of Care First, providing specifically tailored pathways into social care jobs, offering employers a £1500 recruitment subsidy for sustained employment and training, and 50,000 jobs (with pre-employment training and a £2000 recruitment subsidy) dedicated to other growth sectors, such as hospitality. In the hospitality sector, a pre-employment training programme has now been developed by the Sector Skills Council “People 1st”. This comprises an intensive two-week training course providing new entrants into hospitality, or those changing careers, with relevant industry knowledge and skills and the confidence needed to adjust to their chosen role.

Table 15: Geographical mobility

Country	Details of measures
Bulgaria	<p><i>Incentives to facilitate geographical or functional mobility</i></p> <p>There are incentives for mobility of employees, offered by the labour administration.</p>
Latvia	<p><i>Promotion of regional mobility</i></p> <p>In the second half of 2008 the measure for promotion of regional mobility of persons employed by enterprises was introduced to facilitate the regional mobility of the employed persons who have chosen a work place at a larger distance from their homes. The goal of the measure is to reduce unemployment risk, related to movement of employees between the place of residence and the place of work. The compensations for the transport costs and rental costs could be provided within the scope of this measure.</p>
Lithuania	<p><i>Financial support in case of employment farther from home</i></p> <p>The new version of the LSE validates a completely new ALMPM – promoting territorial mobility of the unemployed.</p>
Portugal	<p><i>Incentives to regional mobility</i></p> <p>These incentives aim to promote the mobility of the unemployed in regions of high unemployment to regions with high capacity to create new jobs. In order to benefit from these incentives, the unemployed must live in an area in which he could not find a job but who was hired with an open-ended contract or with a contract of at least two years in another area. Financial support is given to these individuals to help with the expenses associated with the change in residence.</p> <p>In Portugal, regional mobility is reduced. Incentives to foster this mobility are positive. Used quite often. This measure has not, however, shown ability to affect this pattern. Very few cases of people that benefit from this support.</p>
Slovakia	<p><i>Support to geographical mobility:</i></p> <p>Mobility grants were provided also before the economic downturn took place. In 2004-2005 a financial contribution for movement toward work was being provided to those job seekers. Financial support of job mobility on account acquisition of a new job has been abolished since 1 January 2006. Reasons used for the abolishment of the contribution for mobility were based on the lack of interest of the job seekers in it, and on the demanding administration work connected with its granting.</p>
Spain	<p>The extraordinary plan for the construction sector included benefits to foster geographical mobility with the aim to promote the permanent recruitment of unemployed workers whenever that involved moving residence within the Spanish territory. The allowances covered moving costs, transport expenses for furniture and household equipment, accommodation expenses and, if appropriate, nursery and other expenses for the caring of people under their care.</p>

Table 16: Support to self employment

Country	Details of measures
Austria	Support for unemployed to open own business and for small companies to employ the first employee. Important chance for those who already had the vision to start an own business. Deficits in sectors with high qualified jobs. Problem to get credits due to the bank crisis. An important question is in which sectors we want to grow. No one should be forced to open an own business.
Bulgaria	Incentives to find a buyer for new activities , to create SMEs - In the end of 2008 the Employment Agency announced that about 10 000 unemployed people will be able to receive up to 50 000 leva in order to start their own business. The resource to finance this measure is planned in the framework of the Operational Programme "Human Resources Development".
Germany	<p><i>Incentives for starting own business</i></p> <p>There is the possibility of cheap loans for workers under transfer schemes who want to set up their own business.</p> <p>Can encourage creativity and entrepreneurship; in the case of success of a creation of a company an increase of jobs ensues</p> <p>The offered measures are used only by a very small part of the persons which have loosed their jobs due to restructuring. The projects of those who create a company are quite similar and in many cases not sustainable.</p>
Greece	<p><i>Subsidies for self employment</i></p> <p>Subsidization programmes for young people started being implemented in 1986 when 1,100 unemployed individuals received a subsidy to set up their own enterprise.</p> <p>There are a lot of problems and many bureaucratic procedures.</p>
Hungary	<p><i>Support for start-up own business</i></p> <p>funded by Labour Market Fund and by the European Social Fund through the Social Renewal Operational Programme. The Ministry of Social Affairs and Labour is responsible for the coordination of the use of it.</p>
Italy	Measures to encourage self-entrepreneurship or self-employment are regulated by legislative decree 185/2000, which provides incentives for the creation and development of businesses by young people in economically depressed areas of the country.
Slovakia	Support to self-employment: The provision of financial and technical assistance for self-employment is contingent on registration of a job seeker in the records of the ÚPSVAR for at least four months. Furthermore, the granting of the contribution for self-employment is also conditioned by the passing of a preparation for the beginning of operation or pursuit of self-employment and by a presentation of a business project.

Annex V – Case studies on management of restructuring: main lessons learnt

In addition to the existing measures for managing restructuring processes, the 27 NBPs have also highlighted some relevant experience, mainly at company level, in which the social sensitive restructuring approach was applied successfully. The most interesting case studies were debated during the national seminars and have shown the success factors, the main problems and the pre-conditions for transferability into other contexts or sectors.

The recent crisis demonstrated an increase in unemployment due to restructuring. In this respect case studies have been selected and discussed to highlight how companies addressed restructuring and how social partners act to confront the related social impact. According to Eurofound (see *Restructuring in recession*, 2009) employment-related initiatives provided by public institutions supplement those provided by the companies themselves to safeguard jobs. As a result, during restructuring a company, as part of the national economic system, benefits from government measures or in some way suffers from drawbacks if state measures are not in force. In many national seminars it was emphasised that the system of public support is sometimes multi-layered and bureaucratic for companies and workers. In short there is a relationship between State and private companies in restructuring, which affects the social impact of restructuring. There was an example in the Italian case studies where the Wage Guarantee fund helps both company and workers to overcome the crisis or find solutions when closure is unavoidable.

Being a demanding issue, the aforementioned relationship is not analysed in the following case study review which is restricted to company initiatives even if in some cases there is public ownership. The general criterion applied to reporting case studies, as they appear in the national background papers and were discussed during the 27 Seminars, refers to the effect of restructuring on the employment status of the workers involved. The issue is not so simple, since the change goes beyond the statistical classification. As a result, working condition changes (contract, wage, working time, work intensity, safety and health, work and family, etc.) shift the attention to workers' rights rather than employment status. It has been recognised that measuring the unemployment rate is insufficient for an understanding of the shortcomings of the labour market, in particular during recession or restructuring. Owing to restructuring many workers tend to work fewer hours earn less income or use their occupational skills only in part, compared with what they would realistically be capable of during a period of growth. This issue was raised by trade unionists during case study debates in the 27 seminars, but is not reported on in the synthesis below where the dilemma between measures maintaining jobs or management of redundancies is addressed.

Amongst the categories of measures relating to safeguarding of jobs, social dialogue avoiding compulsory redundancies, wage reduction, work time flexibility, and internal placement or re-training have been selected. The case studies picture is more complex, covering as it does many issues such as working time reduction measures to cut personnel costs, internal mobility, and so forth, but the categories mentioned seem to have much in common. Among the categories relating to management of redundancies, early retirement, severance pay, transition to another jobs, and social security support

have been selected as measures frequently discussed. In some cases the HR management organise an internal Job Club to facilitate redeployment, or the employers themselves create a redeployment network through the Employers Associations. This networking is recognised in the framework of collective agreements against redundancies. Early retirement deserves some coverage given its effect on workers' livelihoods, their identity and on the public finance considering the weight of pensions in the social security regimes. The related discussion during the seminars has not been included in this report.

As illustrated in Annex V, social dialogue avoiding compulsory redundancies is the most common approach, confirming the role of Social Partners in facing redundancies. Internal placement and retraining are measures often used while wage reduction and work time flexibility are reported in only a few case studies.

As for managing redundancies, transition to another job is the main approach outlined and discussed in most of the case studies.

- In short, case studies confirm the following common positive factors:.
- Supporting transition services :including retraining, job counselling.
- A good institutional framework– public employment services in some countries offer a tailored approach for organisations, often working with them on their own premises. This also helps the workforce, who are spared the indignity of having to visit the job centre.
- Effective social dialogue mechanisms at an early stage, involving workers (or their representatives) in the process.
- Trust between the parties, including trust on the part of the employer that they can impart sensitive financial information to the workforce, and on the part of the workforce and their representatives that the organisation is acting in good faith, and on the part of the workforce that their representatives are doing their best for them.
- Good worker representation that can engage with and advise employees threatened with redundancy. Employee representatives have a role to play in guiding employees through their journey and helping them to take full advantage of any active measures, such as training, that are on offer, rather than just thinking of the short term and merely taking severance pay.
- Strong territorial partnership with stakeholders.
- Public authorities' interventions.
- Public funding (ie to support short-time working), although there is controversy about the sustainability of this issue.
- EU funding in some cases (EGAF and ESF)

- Supporting measures for avoiding health problems and providing psychological support
- Quality of Management.
- Good communication.

Case Studies on Management of Restructuring: Company Initiatives

List of case studies	Safeguard Jobs				Managing redundancies			
	Social dialogue avoiding compulsory redundancies	Wage reduction	Work time flexibility	Internal placement/ Re-training	Early Retirement	Severance pay	Transition to another job*	Social Security Support
AT – Labour Foundation	✓			✓			✓	
BE – VW Forest	✓				✓	✓	✓	
BE – Home and Emploi	✓			✓			✓	
BG – Ideal Standard Vidima	✓		✓	✓			✓	
CY – Cyprus Airways						✓		
CZ – Social Programme Steel Industry	✓						✓	
CZ – Vitkovice	✓			✓				
DK – Adult Traineeships				✓				
EE – EEsti Post	✓	✓						
FI – Perlos				✓			✓	✓
FI – Sastamala Local Networking*								
FR – Saint Gobain	✓		✓	✓	✓	✓	✓	✓

List of case studies	Safeguard Jobs				Managing redundancies			
	Social dialogue avoiding compulsory redundancies	Wage reduction	Work time flexibility	Internal placement/ Re-training	Early Retirement	Severance pay	Transition to another job*	Social Security Support
DE – Nokia	✓			✓			✓	
DE – University Clinic of Colonie				✓			✓	
GR – Telecommunications OTE								✓
HU – Steel Foundation	✓						✓	
IE – Axa Insurance	✓							
IE – Jacob Fruitfield	✓			✓				
IT – Motorola	✓					✓	✓	✓
IT – Celestica	✓						✓	
LV – Structural Reform of Public Sector *							✓	
LT – Ignalina Nuclear Plant	✓				✓	✓		✓
LT – ALYTHAUS Pimpe	✓						✓	
LU – Arcelor Mittal	✓		✓	✓				
MT – Trelleborg Sealing Solution	✓							
NL – Philips	✓					✓	✓	
NL – ACHMEA	✓			✓				
PL – Kraiowa Spolka							✓	
PT – TAP	✓			✓				

List of case studies	Safeguard Jobs				Managing redundancies			
	Social dialogue avoiding compulsory redundancies	Wage reduction	Work time flexibility	Internal placement/ Re-training	Early Retirement	Severance pay	Transition to another job*	Social Security Support
PT – B4F	✓						✓	
RO – Dacia Group	✓						✓	
RO – Social Builder House	✓			✓				
SK – Detva	✓						✓	
SI – Peko	✓		✓	✓				
ES – Altadis	✓		✓					
ES – Aircross	✓			✓	✓	✓	✓	
SE – Astra Zenea					✓	✓	✓	
SE – IF Metal	✓			✓				
UK – British Telecom	✓			✓			✓	
UK – Barclays							✓	

In Latvia the selected case study was focused on the Structural Public reform. The data and information have been not included into the analysis based on experiences from private companies.

In Finland the second case study was focused on the local networking. The data and information have been not included into the analysis based on experiences from private companies.