

Forum on restructuring

Brussels, 23 June 2005

Introductory comments by Philippe de Buck,

Secretary General of UNICE

Ladies and Gentlemen,

Commissioner Spidla has stressed that the competitiveness of European companies, on which the well-being of citizens depends, requires a capacity to adapt to the constant changes which mark our economies and our societies. Whether to survive or to develop, companies must be able to carry out restructuring rapidly. These restructuring operations are both inevitable and necessary for growth and jobs.

However, restructuring can be painful, hence the negative perception which prevails, in particular in some countries. These worries are legitimate but the best way of responding to them is to implement the strategy for growth and jobs. Trying to prevent restructuring operations or limit them by tightening the regulatory straitjacket around the company would be counterproductive.

In the face of these concerns, it seems to me important to recall some figures. Among the 2,450 cases of restructuring recorded by the Dublin Foundation's European Monitoring Centre on Change, only 8.5% involved relocation or outsourcing, 20% were linked to bankruptcy or closure and 64% concerned changes in company structure, notably following mergers or acquisitions. Regarding the effect on employment, the ratio between planned creation of jobs and envisaged job losses was largely positive or close to balance in the majority of cases.

Apart from this information collected by its European Restructuring Monitor, the European Monitoring Centre on Change also centralises useful sectoral research and organises horizontal debates in seminars on themes such as innovation, productivity and quality of work.

Restructuring is above all an issue for the company concerned. Public authorities can support companies and employees in their efforts to adapt or seize new opportunities and thus minimise the adjustment cost. However, it is essential that they fully respect the autonomy of the social dialogue within the company and keep their comments to a minimum in order not to complicate the search for solutions.

I would now like to draw attention to three initiatives by the European social partners:

- First, the orientations of reference for managing change and its social consequences were negotiated with ETUC and submitted to the Commission in October 2003. These orientations of reference underline the importance of explaining the reasons

for change and of developing employability, in order to facilitate the management of the social consequences at local level.

- Second, the European social partners adopted lessons learned on European works councils and presented them to the EU institutions on 7 April 2005. These lessons learned show that European works councils are a useful instrument, contributing to adaptation to change where a group strategy is concerned affecting sites in several countries. They confirm that the social consequences are discussed at local level and reveal the complexity of dealing with multiple layers of information and consultation.
- Third, discussions between the European social partners are currently continuing in the context of a joint study on restructuring in the new Member States.

UNICE and its member federations are committed to promoting the orientations of reference for managing change and the lessons learnt on European works councils. We have asked our members to let us have an inventory of the main actions on restructuring taken by the social partners in their countries.

I have mentioned the work of the Dublin Foundation's Monitoring Centre on Change as well as our own work in the framework of the European social dialogue. I am sure that Roger Briesch will also tell us about the work of the Advisory Committee on Industrial Change. In other words, there is no shortage of European bodies discussing restructuring.

UNICE has strong reservations about the creation of an additional forum, for the following reasons:

- The right level for managing the social consequences of restructuring is the local level and not the European level.
- Obviously, exchanges of experience are useful, but there are already bodies where this takes place.
- Before deciding on creation of a new forum, it is important to determine what value it would add and to define clearly its missions, membership and modus operandi.

The disenchantment with European integration revealed by the constitutional crisis reflects a rejection of broken promises. We must avoid raising expectations and distinguish clearly where Europe can add value and where it should leave others to act. The best way of flanking restructuring is to minimise the negative effects and to implement the growth and jobs strategy.

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