

Information and consultation of employees: establishment of a European Works Council or a procedure in Community-scale undertakings and groups of undertakings. Recast

2008/0141(COD) - 02/07/2008 - Document attached to the procedure

This paper discusses the EU's contribution to restructuring and employment. It is part of the renewed social agenda: Opportunities, access and solidarity in 21st century Europe. The Communication emphasises the need to prepare the EU to cope with the challenges of globalisation better and to promote social management of change and restructuring. Such management must offer new opportunities to workers and regions affected by restructuring, must allow the workers access to training or re-training, and must demonstrate real solidarity with them. The EU's action with regard to the management of restructuring operations can only supplement that of the other actors, and in particular the Member States, the regions and, naturally, the companies and employees themselves.

The social management of restructuring, following adaptations to the company's structure, is designed to reduce the negative effects of such adaptations. In 1998 the Commission published a report by the High-Level Group on economic and social implications of industrial change chaired by Pehr Gyllenhammar. The concerns and suggestions presented in the report have subsequently guided the Commission's action to promote the social management of restructuring.

This paper takes stock of the main advances in this area in the wake of the two Communications on the management of restructuring presented by the Commission in

January 2002 and March 2005.

The paper discusses the following, *inter alia*:

- the **key role of social partners and companies**;
- the **actions already under way** that demonstrate the benefit of a wider partnership, the main aim of which is to step up the exchange of good practice in the management of restructuring by emphasising in particular the major role of anticipation, which is complementary to that of partnership;
- **cooperation with national authorities**, another key area for the management of restructuring operations. It is the job of national governments to simplify the regulatory framework, take action to promote and support investments in production and research and innovation activities, ensure the development of a qualified workforce and use the Structural Funds to anticipate and manage restructuring;
- the **visibility of action at European level** needs to be increased. The Commission will publish regular reports on restructuring operations in Europe. The first of these, to be adopted before the end of 2008, will outline the main Community policies incorporating a specific dimension on adaptation to change.

The **importance of a joint approach by the social partners** with regard to the anticipation and management of change is underlined. In view of the social partners' intention to promote and evaluate the guidelines for reference in managing change and its social consequences in their 2006-08 working programme, the Tripartite Social Summit for Growth and Employment to be held in March 2009 could be

the right time to present a first assessment of their work in this field. On the basis of that contribution, thought could be given to the advisability of presenting new initiatives to promote principles shared at European level.

Considering the key role played by business in the management of change, a possibility for the future is to encourage companies to include management of change and restructuring, including the relations they develop within their immediate environment (such as with regions or subcontractors), in reports many companies produce on a voluntary basis in connection with corporate social responsibility. Inclusion of restructuring in such reports would encourage the exchange of good practice and could allow the public authorities to gain a better grasp of the issues raised by industrial and technological change.

Taking as a basis a review of the last ten years, and the lessons which can be drawn from it, the main players in the management of restructuring processes are invited to press ahead with and to step up cooperation. In particular, the contribution of the social partners following the adoption of the 2005 Communication is eagerly awaited. For its part, the Commission intends to continue its work and step up its efforts to encourage anticipation of coming changes and the development of partnerships between the players.