
Restructuring in the European Union is a highly sensitive issue owing to the complexity of the political and social implications of decisions made by companies about organising and reorganising their business and manufacturing operations. This is especially the case now that the European Union consists - since 1 January 2007 - of 27 Member States. Such complexity derives first and foremost from the astonishing diversity of cases of restructuring, which makes it hard to construct a typology, and from the variety of stakeholders in the different countries, regions and sites, who do not fit neatly into uniform categories. It also results from the specific nature of sectors confronting the accelerating pace of technological change, as well as from ‘financialisation’ and international competitiveness. Another factor is the obvious interaction between restructuring and matters as diverse as European monetary policy, economic guidelines, industrial policy, competition rules, the expansion of the internal market since enlargement, international trade negotiations and, of course, employment policy, social policy etc. – to mention only the most important.

Consequently, decisions made in the field of European governance, at the various levels of regulation, have a direct or indirect effect on the scale and pace of restructuring in the EU. They also explain the contradictions we find in the ways restructuring is managed in terms of industrial relations as soon as we look at aspects such as competitiveness and quality of work, protection of fundamental rights and the removal of labour market rigidity. If we accept that restructuring is a symptom of globalisation and an expression of the deep-seated changes pervading
the Union, it becomes even more understandable that modes of regulation must be determined locally and regionally as well as at European level (Petrovsky and Gazier, 2006; Moreau, 2006a).

The recent developments to be outlined below demonstrate that restructuring has become a matter of prime concern for politicians, not just locally, where the restructured site is located, but likewise at regional and European level. A gradual process of action and reaction is underway, aimed at formulating new responses that can take into account not only the complexity of restructuring as a phenomenon, but also the need to provide multi-faceted responses at many different levels. The emergence of a European-level policy on restructuring shows that the local level has been superseded, because of the role played by European rules on restructuring as well as the mobility of companies and their operations within the European Union due to the global strategies of firms operating on the European market. The principal change consists of increased activity on the part of the European institutions and the establishment of new operational structures (1), which prompt several lines of thought and action. These illustrate the difficulty of elaborating a fully-fledged European policy in this area (2).

1. Elements of change

The first element of change is an intensification of activity by the European institutions around restructuring, the main reason being the political impact caused by the restructuring of large companies and by enlargement; but there are other causes too (1.1). This EU interest initially resulted in the establishment of coordinating bodies and think-tanks (1.2), and thereafter in the creation of funding streams as part of the European Social Fund (1.3).

1.1 Increased activity by the European institutions around restructuring

Several phenomena lie behind the enthusiasm of the European institutions to address themselves to restructuring. The first is without a doubt linked to the huge transformation in business activity connected with enlargement and the fears generated by a proliferation of many kinds of operations in the ‘old’ EU countries: mergers, take over,
outsourcing, relocation, plant and site closures, redundancy plans and huge job losses (1). In 2006, there was a fresh round of mergers in key sectors of the economy, on a larger scale than during the period 2000-2001 (Sachs-Durand, 2004). However, the lack of a consensus on how to quantify all the various forms of restructuring still poses a problem (2). An observatory has been created at the Dublin Foundation within the EMCC (European Monitoring Centre on Change) (3). The ERM (European Restructuring Monitor) establishes a quantitative record of restructuring operations based on data gleaned from the press and media. Even though these data are not reliable in scientific terms, since they originate from the economic and financial press and their quality varies from one EU country to another, the trends revealed are of interest (4). Indeed, 1.555 million jobs were lost in the 15 old EU countries in 2002-2005, representing 0.6% of total employment or 0.15% per year on average. It also emerges that the most widely affected sectors are telecommunications, transport, banking and insurance, public administration, and then the automobile industry. Germany and the United Kingdom appear to be much more severely affected than France and Italy. The populations of the UK, Sweden, Ireland and Belgium (1.2% to 0.9%) are hit harder than those of France, Spain and Italy (0.2% to 0.4%). In France, the 176,000 job losses fell mostly in telecoms, transport, electronic equipment, metalworking and also the automobile industry and financial services (53% in these six sectors). There is evidence too that certain sectors are expanding in both the old and (especially) the new Member States, which explains why the impact

1 Hence the demand for the report on relocation by Fontagné and Lorenzi (2004).
2 Starkly evident in France in 2005 owing to extensive media coverage of restructuring based on very different assessments.
3 http://www.emcc.eurofound.eu.int/erm/
4 The ERM publishes a bulletin every three months. The information given here can likewise be obtained from the AgirE project (www.fse-agire.com), funded under Article 6 of the European Social Fund (ESF) and processed by Alphametrics.
of restructuring is assessed differently at local/regional, national and European level. By the same token, it is interesting that almost 9% of the work outsourced beyond the European Union emanates from the new countries. These figures clearly show the need for a reliable quantitative database in the EU in order to provide public policymakers with a more sophisticated evaluation than what is available in the media (5).

The second phenomenon consists of an explicit call for EU-level intervention addressed to the European Commission by several Member States’ governments but coming likewise from trade union organisations and business managers (e.g. Hewlett Packard, Volkswagen). The purpose of these requests is not always obvious from a strategic point of view, since they are prompted both by local protest movements, an offloading of responsibility for the social consequences of restructuring onto the Commission (6), and a realisation of the extent to which Europe can be a useful level of intervention. This ‘useful’ level may be taken to mean the one at which a competitive balance can be struck on the European market – on account of the obligation to notify mergers – but it is also the level at which structural and regional aid is disbursed in the context of overseeing State aids and aid from the European Social Fund (ESF). More often, in recent months, it has been a matter of obliging the European institutions to devise a proper policy to cope with restructuring and help find novel solutions to the problems caused by labour market transition.

Finally, of course, the French and Dutch no-votes in the referendums on the European constitutional Treaty, which have caused deadlock in

5 The amount of media interest in large and small companies differs; it varies enormously from one country to another.

6 Community powers are in fact contingent on the subsidiarity principle: the Union can act only in the areas laid down by the Treaty. In the social policy sphere a body of common rules, applicable to restructuring, has been built up by the directives on transfers of undertakings, collective redundancies, employee information and consultation, and the European works council. On this point, see below.
the constitutional process since 2005, served to mobilise all the relevant players around restructuring. These votes reveal the gulf between Europe’s economic and financial policies, the employment guidelines centring on corporate competitiveness and labour market flexibility on the one hand and, on the other, the life of ordinary people dogged by job losses, relocations, redundancy plans etc. and the resulting fears. At the time of the referendums on the constitution, it became all too apparent that people had not understood how the Charter of Fundamental Rights could act as a bulwark against deregulation (Moreau, 2006a). In France, in particular, there is an alarming gap between the proclamation of fundamental rights and their observance in practice when restructuring occurs. Thus the Commission is motivated by a whole set of factors to rally support from players at European level and in the Member States around the issue of restructuring.

1.2 The establishment of new coordinating bodies at European level

New coordinating bodies have been established gradually. The Communication on restructuring and employment published by the European Commission on 31 March 2005 (CEC, 2005) demonstrated that institution's desire to pursue a policy of adapting and adjusting Europe’s economy to global change. The Communication is predicated on the need for horizontal coordination of European policies in order to achieve a synergy contributing constructively to change. Central to this approach is coordination between the aims of the European Employment Strategy (EES), the EU’s financial instruments – above all ESF aid – and EU industrial policy (now that it has been relaunched on a sectoral basis with the formation of observatories and an innovation and development programme to create new jobs). There are also links with competition policy so as to ensure that employee representatives’ opinions are factored into merger or State aid procedures, and involvement in the Doha Round trade negotiations at the World Trade Organization (WTO). The Commission has set up a task force responsible for this coordination, comprising officials from all the Commission’s directorates-general. In 2005, the coordination was headed up by a ‘Mr Restructuring’ answerable to the Directorate
General for Employment and Social Affairs. But owing to the highly complex issues raised by the European policies affecting the strategies of companies that restructure their operations, it proved essential during the course of 2006 to create a specialist restructuring unit within DG Employment and Social Affairs.

The Commission has likewise set up a Forum tasked with bringing together the main players in political, social and institutional circles with a view to holding high-level deliberations on restructuring. The three forum meetings held since 2005 (7) have drawn attention to the areas of conflict surrounding potential EU responses. These forums have fostered a new political consciousness about restructuring and created a link between the social and political players. The relevance of Europe as a level of intervention has been highlighted, but so has the need for coordination and interaction between the social partners and the public authorities at local and regional level. If change is to be anticipated effectively, it appears vital to make provision for complementary levels of regulation and for building active partnerships.

1.3 Financial aid and the new aims of the ESF

Following a good deal of opposition to the creation of an ‘anti-shock fund’, it was eventually decided at the Hampton Court summit (end of 2005) to endow the European Social Fund with a budget specifically intended to facilitate adaptation to change. The sum allocated would be €500 million (8) and its purpose would be to finance social adjustment measures. This ‘anti-shock fund’ is designed to assist companies with their transition and adaptation to the economic environment dictated by globalisation. The fund’s raison d’être is to ease the transition connected with the new distribution of economic activity in the Union and the accelerating pace of change. Thus the idea behind this initiative is to take the first step towards organising a transitional labour market (9).

7 The minutes can be found on the Commission’s website http://ec.europa.eu/employment_social/restructuring/forum_en.htm.
8 Statement made in March 2006.
9 On the formation of transitional markets, see Gazier (2005).
Restructuring in the European Union: recent developments

The objective of the European Social Fund programme for the period 2007-2013 may be to assist with the anticipation of restructuring and the management of economic change. A recently published Note gives an overview of the Commission’s future intentions (CEC, 2006) (10). The framework programme will make funding available to help achieve the aims of the European Employment Strategy (the convergence objective ‘adaptability to economic and social changes’ – Article 3.2) in order to enhance competitiveness at regional level.

The ESF is therefore part of the proposed approach of combining flexibility and security while reducing labour market rigidity. Explicit reference is made to stepping up aid for boosting the adaptability of labour while taking account of demographic developments in the Union. Thus the framework programme will prioritise measures serving to strengthen national systems geared to anticipation, innovation and structural reforms: these measures should promote flexibility of the labour market, tailored measures for individuals and outplacement as a potential tool in the area of redeployment. The aid will be used both to finance bodies such as specialist observatories on labour markets, skills and qualifications - be they national or regional - as well as the setting up of instruments needed to anticipate restructuring, such as indicators and benchmarking systems, stakeholder consultation mechanisms and exchanges of good practice. The ESF likewise earmarks aid for the social partners and for establishing links between them and the public authorities. As far as companies are concerned, funding is geared towards early warning mechanisms and sectoral assistance. Finally, aid is set aside for individuals to promote training, retraining, long-term career development, mobility and redeployment. The foundation-stone for this programme is past experience, taken as a point of reference to justify new spheres of ESF action on restructuring.

This framework programme, as reflected in the Note, is ambitious and seemingly tailored to the requirements of those countries hardest hit by restructuring. Its interest lies in the fact that the policy decision to finance transition and adjustment at European level represents a

---

10 The final decisions do not appear on the website as yet.
turning-point, since the concept of social cohesion is now being revisited in view of the mobility of economic activity. But the programme also follows the EES line and so could in fact serve to increase still further the inequality and insecurity existing among ‘adaptable’ groups as well as among vulnerable and excluded people. The political decisions taken when laying down the funding criteria for this aid will therefore be critical.

2. Contradictory and confusing thoughts and actions

The European institutions’ chosen method of taking action on restructuring is a perfect illustration of the contradictions which have bedevilled the building of Europe for the past ten years: on the one hand, the need for a mode of regulation and governance built around binding social standards that give basic protection to all workers and restrict labour competition and social dumping; on the other, the desire to bolster flexibility by means of deregulation based on guidelines, common orientations and various ‘soft-law’ commitments. The hard-law/soft-law dichotomy masks not just a normative debate about the true impact of Community-level standards and their effectiveness in the short and long term, but also political differences of opinion between the governments of EU Member States, along with the divergent interests of the social partners.

In practical terms, the adoption of directives in the social policy field or with social policy objectives (11) no longer seems to be on the agenda because of the stance taken by the President of the Commission, Mr Barroso, and also owing to the difficulty of winning a vote – even by a qualified majority. The new Member States are grappling with the awkward task of transposing the existing body of Community legislation and transforming their systems of labour relations into proper industrial relations systems. Some of them are outspokenly ultra-liberal in their attitudes, thus reinforcing the stance taken by the United Kingdom (in particular) against binding standards. The deadlock over

---

(11) Thus the 1996 directive on the posting of workers was adopted in the context of freedom to provide services but concerns workers.
the amendment of the ‘working time’ directive reveals the full extent of this opposition (see the contribution by Laurent Vogel in this volume).

It is highly unlikely, in this context, that an amended directive on the European works council (EWC) will ever see the light of day, however essential it may be in ensuring that restructuring is handled in a concerted fashion in Community-scale undertakings. Indeed, studies based on the experience of European works councils (Béthoux, 2006) make it perfectly plain that the transnational structure of EWCs means that they are ideally suited to dealing with crisis situations:

- to disseminate information about the real state of the transnational corporation and facilitate action at local level;

- to mobilise support for collective action across the corporation, and in cases where the management agrees to negotiate;

- to negotiate transnational agreements or facilitate their negotiation with international trade union federations (Moreau, 2006a; Daugareilh, 2005; Descolonges and Saincy, 2006).

A considerable improvement in the powers and responsibilities of EWCs is necessary, however, since the obstacles confronting them are frequently such that they cannot do a meaningful job of work (Moreau, 2006b).

Even though there can be no hope of any directives being adopted, the Commission advocates a resumption of social dialogue as a possible means of Community involvement. It is also in favour of corporate social responsibility. Yet both of these approaches themselves mask the impossibility of making any fresh progress (2.1) and leave many awkward, sensitive questions unanswered (2.2).

2.1 Social dialogue and corporate social responsibility

The advantage of these two methods of regulation is that they involve the social partners in both drawing up and implementing standards. However, in the case of restructuring operations, which result from strategic decisions made by businesses and hence by employers, they function more as discussion forums that as regulatory instruments.
The Commission is in favour of relaunching social dialogue on the subject of restructuring. The first round of negotiations resulted in 2003 in a set of ‘reference guidelines’ (ETUC, UNICE/UEAPME and CEEP, 2003), which were not adopted by the ETUC Executive Committee (see the contribution by Christophe Degryse in this volume). The philosophy behind the guidelines is that of the open method of coordination (OMC); they work on the assumption that the existing social directives provide an adequate common set of regulations and allow for the introduction of ‘good practices’ identified on the basis of ‘innovative’ case studies. This document came in for sharp criticism within the ETUC and triggered fresh debate about the usefulness of ‘soft law’ negotiated at Community level.

The spread of good practice across the Community has affected the ways in which large corporations handle restructuring where social dialogue has been possible (12), but such ‘good practices’ allow companies considerable leeway in choosing how to deal with restructuring. Most cases of restructuring are still resolved by means of early retirement and other age-related schemes (13), which are the most significant statistically. Alternative strategies are rarely deployed, except when employee representatives are assisted by experts and when local partnerships can be established. Restructuring in multinational corporations is almost always handled in accordance with national legislation and local power politics, with no transnational coordination and no harmonisation of

12 Various models can be cited, in particular GM (negotiation of a remarkable agreement which was ultimately not observed when a site in Portugal was closed down), Arcelor until a few months ago (after the takeover bid from Mittal Steel), Erickson, Saab (these two companies being heavily influenced by the Swedish model of industrial relations but also particularly innovative), see above-mentioned Note on the ESF. It has in fact become plain that, even in situations where the social partners are party to information that reveals the existence of a crisis situation likely to lead to restructuring, the response of both management and employee representatives is a collective silence.

13 The first clear findings from case studies carried out as part of the AgirE project and the MIRE project (Monitoring Innovative Restructuring in Europe - www.mire-restructurations.eu).
the way in which employees’ rights are treated, nor even of consultation or bargaining practices (14).

Even despite that setback, the Commission attempted to revive the social dialogue in 2005. Its initiative was staunchly opposed by UNICE, given that a second round of negotiations would in effect establish a European policy and no longer merely list good practices left up to the goodwill of companies. The ETUC has no means of holding negotiations on restructuring ‘in the shadow of the law’ (15), and therefore lacks any leverage to encourage UNICE to reopen negotiations on European arrangements for tackling the awkward questions posed by restructuring operations.

Corporate social responsibility (CSR) is the second strand proposed by both UNICE and the Commission. The adoption of codes of conduct, charters and guidelines is a means of creating employment standards and ensuring job retention in Community-scale companies and corporations. Their voluntary nature is in itself a guarantee that any commitments made will be respected. Real guarantees can be obtained, not only nationally but also at transnational level, where such instruments are negotiated or drawn up in conjunction with employee representatives.

Studies (Moreau, 2006a; Daugareilh, 2005b) have nevertheless shown that, in many instances, CSR is never actually put into practice or else the difficulties of monitoring it and making it work effectively prove insurmountable. Not only do very few rules apply to restructuring but they are also very vague, even when the standards have been negotiated (Moreau, 2006b; Daugareilh, 2005a). Companies refuse to have their hands tied in the long term on matters of key importance to their future

---

14 A good illustration being the enormous difficulty of extending to corporation level the method agreements negotiated in France, even when other sites are scheduled for restructuring in the very near future.

15 Brian Bercusson in particular has in fact shown that the ‘risk’ of a directive being adopted has spurred on negotiations between the European social partners, so it can be said that the talks take place ‘in the shadow of the law’.

---
development, owing to the accelerating pace of economic change brought about by the speed of innovation and market transformation.

It would therefore seem that there is a huge discrepancy between the magnitude of the economic and social consequences of restructuring in the EU and the power of the regulatory instruments utilised thus far or able to be utilised at present. Furthermore, a number of extremely awkward questions are still in need of answers.

2.2 Some particularly awkward questions

There is a long list of tricky questions at EU level (Petrovsky and Gazier, 2006). They justify the pursuit of research in the Union despite the multidisciplinary and international/European nature of the answers required (16). Case studies have the advantage of highlighting ‘good practices’ which are highly dependent on the institutional, legal and sociological context of each restructuring operation in each country of the Union. It is considered good form at Community level, in the discourse of both the Commission and the social partners, to play up the ‘transferability’ of such practices. The obstacles to transferability became perfectly apparent in the EQUAL project (17) funded by the European Social Fund, which examined experiences of restructuring regarded as original, novel, socially useful and built on partnerships between employers and trade union organisations to facilitate industrial conversion (18). The problems encountered had to do with the significance of the institutional context, i.e. the labour market, in each EU country as well as the way in which the stakeholders availed themselves of the opportunities opened up locally. Thus there is good reason to be sceptical as to the impact of good practices in respect of restructuring.

16 See in particular the studies carried out by the Dublin Foundation and its voluminous bibliography on restructuring.

17 2006 final report drawn up by GHK Consulting Ltd., seminar on the EQUAL project held on 30 May 2006.

18 And hence ‘innovative’ in Community jargon.
What is more, the conclusion of the EQUAL report emphasises the complexity of the issues and interactions thrown up by restructuring, which necessarily call for multi-level, multi-faceted responses. These require the formation of well-constructed partnerships, in turn necessitating long-term funding. The duration and timing of action taken by the players before, during and after restructuring (short term/long-term) is a recurring theme.

It is worth pointing out that the key words here are anticipation (of restructuring) and innovation (of responses at EU level): two concepts that, in reality, are neither straightforward nor well-defined – rather like restructuring, in fact.

Despite some valuable research (Petrovski and Gazier, 2006), there is still no authoritative definition of restructuring. Case studies would demand that the definition be centred on the crisis period generally triggered by the announcement of reorganisation measures. Serial crises ever more often turn into loops that can be interpreted as permanent change (Fayolle, 2005). The industrial conversion measures following on from a restructuring operation can then become measures which anticipate the social consequences of the next phase of restructuring. Such serial changes, initiated by a succession of restructuring operations, therefore lead companies to introduce structures of change which avoid initiating a crisis. Thus the interplay between the handling of change over time and the definition of restructuring contributes to obscuring the very notion, lost in the space between a one-off crisis and permanent change.

The same applies to the much-dreaded phenomenon of relocation, and to ways of assessing it numerically. The approach here differs depending on whether the issue is addressed at national level – the sites affected – or at that of the European corporation as a whole (19). Definitions of restructuring based on the description of operations (subcontracting, asset sales, relocations, mergers, take over, changes of ownership, redundancies etc.) lend themselves to the creation of

---

19 On different approaches, see the report by Fontagné and Lorenzi (2005).
statistical categories (20), but correspond to legal definitions which are not identical in all Member States and are often difficult to reconcile with certain concepts in Community law (21).

Identifying the causes is equally difficult, since they cannot be viewed solely in objective terms: they are, in part, the outcome of a decision taken by the employer (22). A broad definition can however be envisaged (23), to the effect that restructuring is a complex multi-factor, multi-dimensional process comprising changes in the company's organisation, form, size and activities, dictated by causes both outside and inside of the company and resulting in operations such as cessation of business, flexibilisation, rationalisation of activity and outsourcing, either nationally or internationally, but also an extension and diversification of its structures and functions.

Alternatively, restructuring – as a complex process of corporate transformation – may simply be deemed an aspect of the sophisticated strategies that companies deploy on the European market when confronted by globalisation. What flows from this approach is the thesis that anticipation no longer centres exclusively on the company and collective resistance from players within it and in the local environment,

20 Which aim to avoid concepts. For instance, restructuring operations are often viewed in the light of the job losses they cause.

21 See for example the concepts of amalgamation and transfer of undertakings, where the concept exists in Community legislation; but there is the added difficulty of defining relocation owing to the freedom of movement for capital.

22 In particular decisions to rationalise and to transfer business abroad. See, more generally, Boyer (2005).

23 ‘Restructuring refers to all changes in companies’ activities and assets. These may take the form of either a cessation of business or a transfer of acquisitions or merger, or else outsourcing or relocation. Restructuring results in changes in the company's size and business location, in organisational transformations and in alterations to the legal status. According to this view, therefore, it may not necessarily result in reduced activity and employment, but in structural adjustments inside and outside of the company’ (Raveyre, 2005: 10). The definition used here is fairly similar.
but focuses on the events and policies which directly or indirectly govern corporate strategies. Naturally, the question of a slowdown or acceleration in the pace of change and process of restructuring still remains highly controversial, since it determines the synchronisation of anticipation with the mobilisation of the relevant players and the rights they may be granted (24).

Should anticipation occur at corporate and/or at sectoral level? Case studies would appear to argue for a sectoral approach, on account of the marked differences in the transformations underway from one sector to another (25): this applies in terms of innovative research and development, the use of technology and regulation, for purposes of creating observatories of developments in Europe. The links between such observatories of European sectoral developments and the regional and local levels are still a matter of lively debate, as are the most suitable mechanisms for circultating to company staff information that is useful to anticipate restructuring and its social consequences. Maria João Rodriguez, in proposing proactive measures, suggests the introduction of ‘industrial platforms’ bringing together all the stakeholders (26) in

24 Especially as concerns the right to notification. On the question of collective silence, however, see Beaujolin-Bellet et al. (2007) and Dares report, February 2006.

25 There are major differences as to the possible use of time and space from one sector to another (e.g. metalworking v. pharmacy). The sectoral approach is central to the EU’s recently revamped industrial policies. Yet at the Forum meeting in July, the Finnish Minister of Employment maintained that a sectoral approach was unnecessary because the principal problems were universal: the importance of education and training at all levels, the need to devise new forms of work organisation, the need to bolster research and development as well as productivity, the requirement to simplify regulation and fiscal pressure, and the requirement for new managerial skills.

26 The EQUAL project clearly demonstrated the need to link (multi-disciplinary) research developments to such observatories. The proposal is that strategic platforms should be established by way of a team effort (by building ‘clusters’, research and development, and work in high-level think-tanks), but without excluding the regional and local levels.
order to set up centres to carry out observations and actions tailored to an individual sector.

Finally, innovation is by no means an easy concept to pin down, since it comprises all the facets of European diversity in respect of ‘innovative practices’. These are very relative, in that they are linked to the specific context of a region, local area or company, and may be limited in time or else designed for the long term. It seems fairly clear, however, that innovation characteristically emerges out of sound partnerships established around a common goal, which may be employee retraining and/or local redevelopment; this calls for a long-term strategic vision and sustainable structures (27).

Restructuring is often handled in a short-term perspective as a one-off crisis (sometimes using innovative strategies, especially in respect of negotiations). Such an approach is unsuited to the redevelopment of a local area. The links between restructuring and the local area have largely remained unexplored and certainly pose difficult questions concerning synergies in local labour markets, competitive ‘clusters’ or industrial zones, and concerning the interaction between the social partners (and their own levels of action and representation, which differ from one country or public authority to another). Lastly, there is strong opposition to the introduction of a European transition and adjustment policy to help workers access, and remain in, the labour market - even if the method used is ‘flexicurity’. The quest for ‘flexicurity’ appears to produce a consensus at European level as long as it remains a talking point and no one tries to define the concept or determine how flexibility can be smoothly combined with security. Few Member States are prepared to follow the Danish model to the letter (Lefebvre and Médá, 2006; Médá and Minault, 2006). Furthermore, European comparisons have by no means proved that security also requires flexibility (28). Even so, the Commission published a Green Paper in

27 The best conditions for establishing solid partnerships have not yet been identified. The MIRE project has set up networks for this purpose.

28 See the contribution by Philippe Pochet for the AgirE project (unpublished).
Restructuring in the European Union: recent developments

November 2006, launching a broad-based consultation on altering labour legislation and promoting ‘flexicurity’.

Conclusion

This brief overview demonstrates that restructuring has become a crucially important issue at European level, in view of its impact on economic change and corporate competitiveness within the EU. Popular movements by local stakeholders and employees, coupled with the magnitude of the social consequences of restructuring, are such that the Union simply has to devise a coherent policy. Recent developments have shown that the European institutions are attempting to put in place some useful policy coordination and to rally support from all concerned so as to sow the seeds of a new response. The adoption of an adjustment fund constitutes one initial policy approach, its aim being to incorporate restructuring into the policy on social cohesion.

It is also evident that the complexity of restructuring in the EU is such that action must be taken at many levels, encompassing sectors, local areas and companies; the formation of partnerships bringing together a variety of players is equally necessary. However, there is still a need to determine not only a European-level strategy, but also the ways in which different policies in the field of restructuring will interact.

Nevertheless, issues as important as the quantitative analysis of restructuring and the definition of restructuring by means of a typology are in abeyance, owing to the complexity of restructuring and the need to contemplate it in a Europe-wide, multi-disciplinary fashion. By the same token, certain key concepts have not yet been properly thought through or defined. One example is flexibility - or 'flexicurity' – a definition of which is vital to the formulation of transition policies at European level and to ensuring high-quality employment by anticipating events from an employee perspective. The question of how to anticipate restructuring in the EU poses as yet unresolved theoretical and practical problems, especially given the links with the tenor of all European policies.

This interdependence between analyses of restructuring and economic and social policies both nationally and at European level therefore
combines with the complexity of the phenomenon itself and contributes, at least for the time being, to a lack of transparency about what steps should be taken next.

References


