



**The role of industrial relations systems in creating
new forms of job and enterprise to protect the local economy
VS/2016/0332**

FINAL REPORT

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“Europe has many strengths: we can count on the talent and creativity of our people, a strong industrial base, a vibrant service sector, a thriving, high quality agricultural sector, strong maritime traditions, our single market and common currency, our position as the world's biggest trading bloc and leading destination for foreign direct investment. But we can also count on our strong values, democratic institutions, our consideration for economic, social and territorial cohesion and solidarity, our respect for the environment, our cultural diversity, respect for gender equality – to name but a few. Many of our Member States are amongst the most innovative and developed economies in the world. But the best chance for Europe to succeed is if it acts collectively – as a Union”.

EUROPE 2020 A strategy for smart, sustainable and inclusive growth COM(2010) 2020)

Introduction

The spirit that characterized this project was based on the idea that the future cannot guarantee simply the preservation of the past at all costs but must foresee the possibility for the talent and creativity of European people to find different solutions to overcome the consequences of the crisis.

The industrial relations systems and the social dialogue cover a very important role in order to achieve this objective and the *European Commission is working to strengthen the capacity of social partners and make full use of the problem-solving potential of social dialogue at all levels (EU, national/regional, sectoral, company), and to promote strengthened cooperation between the labour market institutions including the public employment services of the Member States* (the EU flagship initiative “**An Agenda for new skills and jobs**” launched in 2008) and according to the European Commission plan of action, “**New Skills Agenda for Europe**”, an European initiative “*to boost human capital, employability and competitiveness*”, adopted on 10 June 2016.)

Industrial relations systems should defend not only the workplaces in cases of restructuring but also prevent the effects that this restructuring and/or closure could have on the surrounding area, above all on the increase of local unemployment as an knock-on effect.

The industrial relations practices that the project aimed to identify could help in finding shared tools in connecting the current economic needs with the workers skills and sectoral productions and, so, in finding common strategies in order to preserve the occupation and reintegrate the long term unemployed people in the labour market as the **DRAFT JOINT EMPLOYMENT REPORT FROM THE COMMISSION AND THE COUNCIL** accompanying the Communication from the Commission on the Annual Growth Survey 2016 - COM(2015) 700 recommends in one of its key-messages “*Labour market reintegration of long term unemployed must remain a priority*” as well as the **Political Guidelines presented by Jean-Claude Juncker in the Agenda for Jobs, Growth, Fairness and Democratic Change (15 July 2014)** recommend: *We need to stimulate investment in new technologies, improve the business environment, ease access to markets and to finance, particularly for SMEs, and ensure that workers have the skills industry needs.*

The unemployment rate in EU-28 is decreasing. However, despite this fact, *the depth of the crisis and the slow recovery, particularly in the Euro Area, have not yet allowed to reach the pre-crisis levels of real GDP*” (**DRAFT JOINT EMPLOYMENT REPORT Labour market trends and challenges**).

Unemployment is strictly connected with restructuring and closures and their impact on local economies, however, according to Eurofound, “*Specific information on the effects of restructuring at regional level and approaches to tackle its potential consequences for the local economy, labour market and society is scarce*” (Eurofound report “**Effects of restructuring at regional level and approaches to dealing with the consequences**”). Carrying out more studies on these matters and trying to find common solutions appear, then, necessary.

Finding different and innovative solutions to negative consequences on the labour market and local economies of restructuring and closures, together with their success, depends on a number of factors: knowledge and tools of social actors, the support offered by European, national and local policies, a strong social dialogue and, by no means least, *Making an efficient European venture capital market a reality,*

thereby greatly facilitating direct business access to capital markets and exploring incentives for private sector funds that make financing available for start-up companies, and for innovative SME (EUROPE 2020 A strategy for smart, sustainable and inclusive growth COM(2010) 2020)

However, it is still hard to achieve these objectives. For example, not many young Europeans are interested in becoming entrepreneurs. Moreover, there are significant national and gender differences in Europe when it comes to the amount of young people that actually set up their own business.

EU Member states have different approaches in supporting entrepreneurship. Should be important, then, that European Social Actors find shared policies in order to support the development of entrepreneurship, above all among young people and redundant workers.

RISTART was financed by the European Union and involved four EU countries (France, Italy, Poland and Spain) and the following partnership:

- Co-ordinator: Confederazione Italiana Sindacati Lavoratori - CISL (Italy)
- Co-applicants:
 - UCSC, Università Cattolica del Sacro Cuore (Italy) – WWELL Research Centre
 - CFTD, Confédération Française Démocratique du Travail (France) (with the support of UCSC)
 - QUIT, (Sociological Research Centre on Everyday Life and Work) – Universitat Autònoma de Barcelona (Spain)
 - SGH, Warsaw School of Economics (Poland)
- Affiliated entity: IAL Nazionale (Innovazione Apprendimento e Lavoro)
- Associated entity: ETUC European Trade Union Confederation

The action was managed by a Project Management Group (PMG), comprising the project managers of all applicants in order to guarantee easier and quicker planning and facilitate some operative aspects. In fact, all the decisions and tools regarding the actions to be taken was continuously shared and discussed among the partners, through emails and three PMG meetings, planned before the three plenary sessions of the project: the kick off meeting, the exchange seminar and the final conference.

The project lasted 24 months, it was organised into seven work packages (WP) and foresaw two phases of research: desk and field.

Considerable attention has been paid to the field research, which explored the role of national and local industrial relations systems in managing collective redundancies in a new way in order to preserve jobs, the local economy and, possibly, to avoid the closure of the plant being restructured.

The following phases of the action involved European actors in order to collect suggestions regarding possible transferability of the practices identified in the field research and to validate the final products of the project, which include this executive summary. Each applicant translated it into his national language and disseminated the project findings in a local seminar, which involved national experts of industrial relations, social actors, public institutions, workers, etc. During these seminars, if possible, applicants collected more suggestions regarding the transferability of good practices at national level.

Finally, all applicants together with affiliated and associated entities took part in the project final conference in Rome. European social actors - already interested and involved in the project steps – and representatives of the European Commission was invited to give their contribution and receive the project final results.

A multilingual report with an executive summary in five languages (English, French, Italian, Spanish, Polish) provided some suggestions for European and national social partners, academia, stakeholders and experts involved in the development and reinforcement of industrial relations systems in Europe.

Finding new (or reinforcing) ways in managing collective redundancies in European countries means adapting industrial relations systems to the changes and the emerging needs of the European economy.

1. The research project

1.1 Background

Considering that restructuring and closures in European productive plants remain at high levels, despite the fact the current economic crisis is coming to an end, the central aim of this project was to find different and innovative solutions in managing the effects that closures/restructuring have on employment.

The management of restructuring or closure of productive plants is focused very often on the safeguard of the workplace by the industrial relations systems. However, sometimes, social actors find different ways to preserve the future of the redundant workers and the local economy.

These different ways can include the following solutions:

- 1 - In order to save the productive plant: support the redundant workers in organising themselves in different forms of enterprise (co-operative, small enterprise, etc.) so that they can take over the former site. In this case, workers become owners of the productive plant, changing their roles and responsibilities.
- 2 - The production plant cannot be saved (due to strong international competition, difficulties in selling products, etc.): support the redundant workers in organising themselves in different forms of job or enterprise taking into account the local economy and emerging needs. In this case, workers could assume different working profiles (also through vocational training) or become self-employed (e.g. starting one-person businesses or organising themselves in craft enterprises, co-operatives, etc.) in different sectors.

The project RISTART analyzed different experiences regarding how to deal with company crises with the direct involvement of workers, social actors, territorial stakeholders and institutions. For this reason, RISTART found significant experiences in industrial relations and social dialogue in order to identify opportunities for renewal, transformation and strengthening of productive contexts.

The project partnership was created on the basis of the specific criteria: all the countries involved in the project have a high number of restructuring/closures with collective redundancies, different industrial relations systems, different economies and, have an high number of micro enterprises and/or show a positive development of these enterprises

The research focused on the local aspects which influenced and contributed to the development of the analysed cases. However, national data were also taken into consideration in order to obtain a detailed profile of the countries involved in the project and compare their conditions. Therefore, the project research initially performed some desk research to collect some national economic data which highlighted many differences between the countries involved in the project (for details, please, see paragraph 1.3).

1.2 Aims and goals

The central aim of this project was to find different and innovative solutions in managing the effects that closures/restructuring have on employment. Once some good practices had been identified, the

project aimed to provide a tool with some suggestions for the European industrial relations system in order to reinforce and develop its role in Europe.

Therefore, the final goal of the project was finding (or reinforcing) new ways in managing collective redundancies in European countries which means adapting industrial relations systems to the changes and the emerging needs of the European economy.

1.3 Sources and methods

The action was based on an analytical strategy that, through shared tools and methodologies, aimed to collect data and some good practices in order to compare them and find common strategies to actively involve industrial relations systems, including social dialogue, in job creation, social inclusion and, in general, the preservation of local economies.

The project was implemented in seven phases (work-packages):

- WP 1 – CO-ORDINATION and MONITORING
- WP 2 – DESK RESEARCH
- WP 3 – FIELD RESEARCH
- WP 4 – EXCHANGE OF INFORMATION
- WP 5 – FINAL REPORT
- WP 6 – LOCAL DISSEMINATION AND FOLLOW-UP
- WP 7 – FINAL CONFERENCE AND FOLLOW UP

Two phases of research started the action. These were carried out through:

- a quantitative analysis (desk research);
- a quantitative and qualitative analysis (field research).

All the phases of the project involved the partnership. In particular, a smaller group of project managers (Project Manager Group – PMG) of each partner planned and discussed all the actions.

The research phases were carried out using common grids of indicators, identified by the PMG. The other phases were focused on the exchange of information, through e-mails, telephone and plenary meetings, and the production and dissemination of the project outcomes.

This last aspect assumed an important role in the project action. In fact, the executive summary, containing the project highlights, was translated into the local language of each country involved in the project and disseminated, together with other documentation, in a specific local seminar in France, Italy, Poland and Spain. The project staff considered supplying project highlights in local languages as the most effective way to disseminate the results.

The **desk research** aimed to provide a detailed profile of each country involved in the project. The study considered the national labour market, the development of micro enterprises, the current national labour and entrepreneurship legislation regarding the creation of new forms of job and enterprise and the possible EU support for investments. During this phase of the research, partners also checked the national cases of restructuring or closures of productive plants with collective redundancies, using an analytical approach to highlight cases where the crisis was resolved by the social actors in a new way.

The research was carried out using some national and European sources, together with information supplied by the social partners. In detail, the sources used for this phase of research were

- databases of National Statistic Institutes and Eurostat
- national legislation
- EC Annual Growth Survey 2017;
- EURLEX
- The European Observatory of Working Life (EurWORK) and the European Monitoring Centre on Change (EMCC), promoted by the European Foundation for the Improvement of Living and Working Conditions (Eurofound).
- Eurofound European Restructuring Monitor (ERM) database
- the Communication from the Commission to the European Parliament, the Council, The European Economic and Social committee and the Committee of the regions “EU Quality Framework for anticipation of change and restructuring” COM(2013)882 final.

The EMCC and EurWORK Observatories and databases together with EC surveys were important sources of the project because they helped identify the areas with the most interesting cases that could be chosen for the subsequent field analysis.

The **field research** was developed through a quantitative and qualitative analysis in order to collect some case studies and explore the role of national and local industrial relations systems in managing collective redundancies in a new way in order to preserve jobs, the local economy and, possibly, to avoid the closure of the plant being restructured.

During the desk research, the project staff identified some national cases which could be interesting to be further analysed. Therefore, the local analysis was developed in two steps (see table 1).

Table 1 - Field-analysis steps

FIRST STEP	SECOND STEP
Starting from the cases identified in the desk research, the researchers carried out some detailed interviews (mostly by telephone) speaking to the actors involved in the selected cases in order to identify the most interesting ones, also considering their transferability	The researchers then identified the most relevant cases in their Country, proceeding with more detailed field research in the form of interviews and meetings on site with local actors and, possibly, workers involved in the case-studies. A shared grid of indicators was used for the interviews. Each applicant, then, wrote a report with the main findings of this step (reported in paragraph 2.)

The second step of the local analysis provided 7 case studies which involved:

- three international groups: KME and PSA in France and Almirall in Spain;
- a bus enterprise, which is part of the Volkswagen group: MAN in Poland;
- a medium-sized company: Agnesi in Italy
- a productive district: Distretto Calza Alto Mantovano (Upper Mantuan Industrial District) in Italy.
- an interesting successful case regarding a serious company crisis of an important and historical enterprise of boilers and household appliances (Ferrol, Verona, Italy) partially through a “workers’ buyout”.

All the cases were analysed through on-site interviews that involved 28 respondents - 24 males and 4 females – among representatives of social actors, local authorities and workers.

Each case that was analysed was from very different local economies.

In France, we have two contrasting situations: in one case (Peugeot Citroen PSA), we find one of the most dynamic scenarios in France, where competitive sectors have emerged in recent years and immunised the area of Brittany from the crisis; in the other case, instead, (KME), the area of Ardenne Rive de Meuse was badly hit by the crisis.

The Italian cases regarded three different economic areas: one (Agnesi), located in Imperia (Liguria region), is characterized by small and micro enterprises, mostly based on tourism, the food industry, agriculture and trading activities; another (Upper Mantuan Industrial District) is an area mainly characterised by manufacture, above all the processing and shipping of agricultural products. However, this area in the past was a very important district (the second in the world) in the hosiery industry. The last Italian case is located in the “rich”, productive, North East of Italy (Veneto Region).

The situation is very different in the territories of the Polish and Spanish cases (respectively, MAN and Almirall): the territory of Tarnowo Podgórne is one of the most developed in the Wielkopolska Region, characterised by full employment and a high presence of foreign companies (Auchan, Decathlon, Amazon, etc.). On the contrary, the Spanish case is located in the metropolitan area of Barcelona which was strongly hit by the crisis.

The cases involved five sectors: Metal/automotive (KME, PSA and MAN); Metal/domestic appliances (Ferrol); Food (Agnesi); Chemical/pharmaceutical (Almirall); Textile (Upper Mantuan District).

As we will see in the following paragraphs, all the cases involved various actors, both at local and national level. Only one case, the Polish one, involved a European body (the European Works Council of Volkswagen).

The cases had different outcomes, depending on their main objectives. These were mainly focused on the safeguard of the workplace, avoiding the closure of the plant, while in two cases the main objective of the actors regarded retraining the workers to facilitate them in finding a job in other plants. In one of the Italian cases, the actors aimed to revitalise the district and, finally, the actors involved in the Spanish case aimed to relocate the workers within the same company.

It must be underlined that, despite the fact the majority of cases regard plants that risk closure or, in the case of Upper Mantuan District, a local economy hit by a crisis and de-location, the Spanish case is the only one linked to organisational rather than financial reasons. In fact, in recent years, the net profit of Almirall had very positive trends.

The case outcomes, considering their original objectives, were more or less positive for workers in all the cases (please, see paragraph 2. for details).

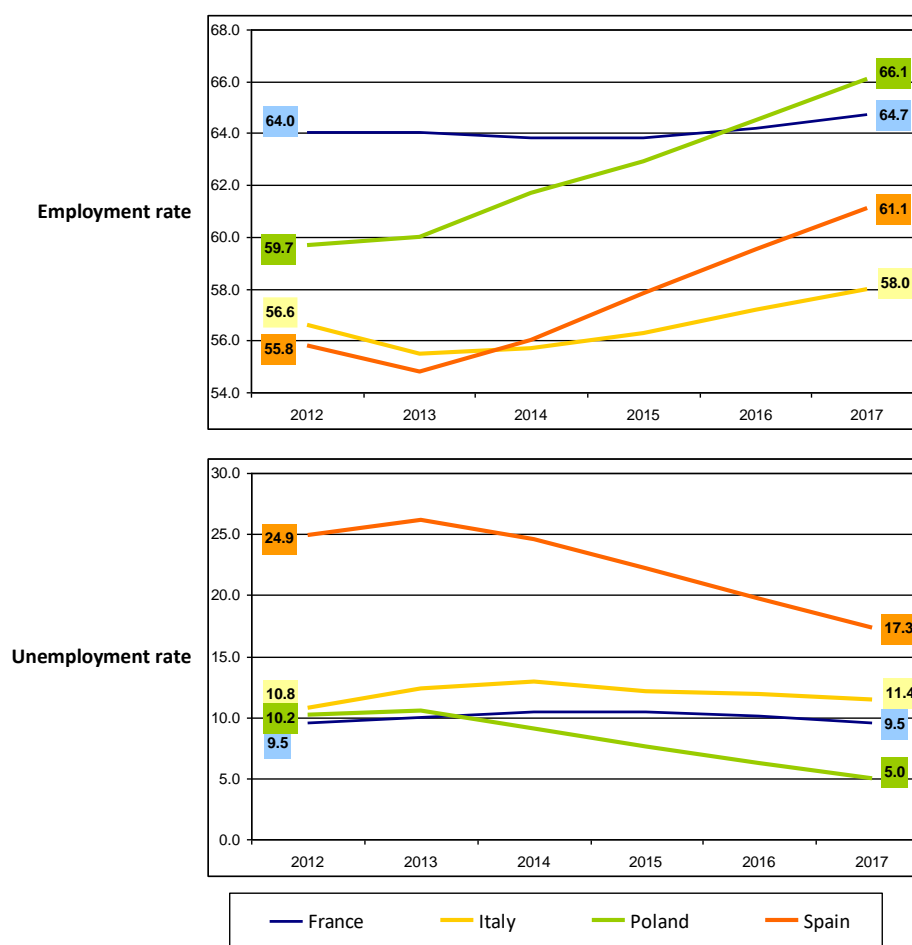
1.4. Case study backgrounds

1.4.1 Background data

The desk research showed certain differences between the four countries involved in the project.

Firstly, regarding employment and unemployment trends. The employment rate is higher in France and in Poland compared to Italy and Spain. However, between 2012 and 2017, the employment rate remained more or less stable in France while in the other three countries it strongly increased. In Spain, between 2013 and 2017, it increased by 6.3 percentage points, whereas in Poland, in the same period, the rate increased by 6.1 percent. This trend enabled Poland, in 2017, to generate the highest employment rate (66.1%) of the four countries under observation (France had the highest rate until 2016). These performances are in line with the unemployment trend, which, since 2013, has been constantly dropping in Spain and Poland (respectively -8.9 and -5.5 p.p.). In Italy this drop started in 2014 while the unemployment trend remains relatively stable in France (graphic 1).

Graphic1 – Employment and Unemployment rate in France, Italy, Poland and Spain (2012-2017)



Source: Eurostat, LFS series

There were also other differences in the four countries.

In order to compare the national budget quotes which each country spends for Labour Market Policy intervention, the researchers considered the Eurostat classification, which identifies the LMP measures in accordance with three main types of intervention broken down into nine detailed categories (table 2).

Among all the measures identified, the role of categories 2-7 were considered more central for job-creation or job-maintenance. The incidence of expenditure for these categories on the total LMP budget highlighted more differences among the four countries under observation.

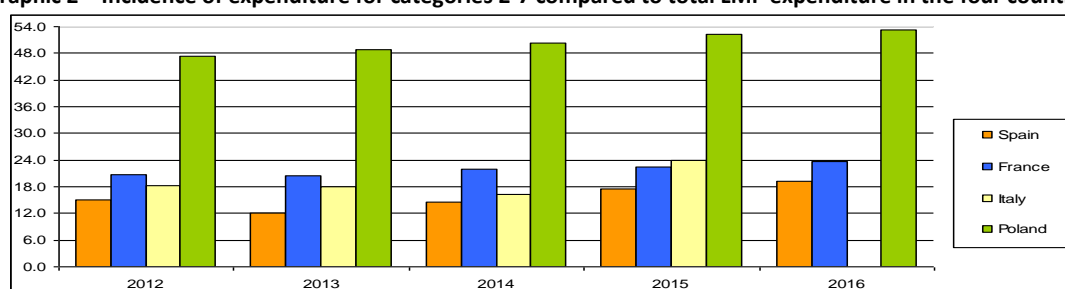
Table 2 – Classification of Labour Market Policy measures

LMP services	LMP measures	LMP supports
1. Labour market services	2. Training 3. Job rotation and job sharing 4. Employment incentives 5. Supported employment and rehabilitation 6. Direct job creation 7. Start-up incentives	8. Out-of-work income maintenance and support 9. Early retirement

Source: Eurostat

According to graphic2, Poland shows a very different trend compared to the other three countries. In fact, this country invests more than half of its LMP resources in the 2-7 measures while the other three countries invests no more than 23% (graphic 2).

Graphic 2 – Incidence of expenditure for categories 2-7 compared to total LMP expenditure in the four countries



Source: Eurostat data on Labour market policy (lmp) and own calculations. Note: Italy's data are unavailable for 2016

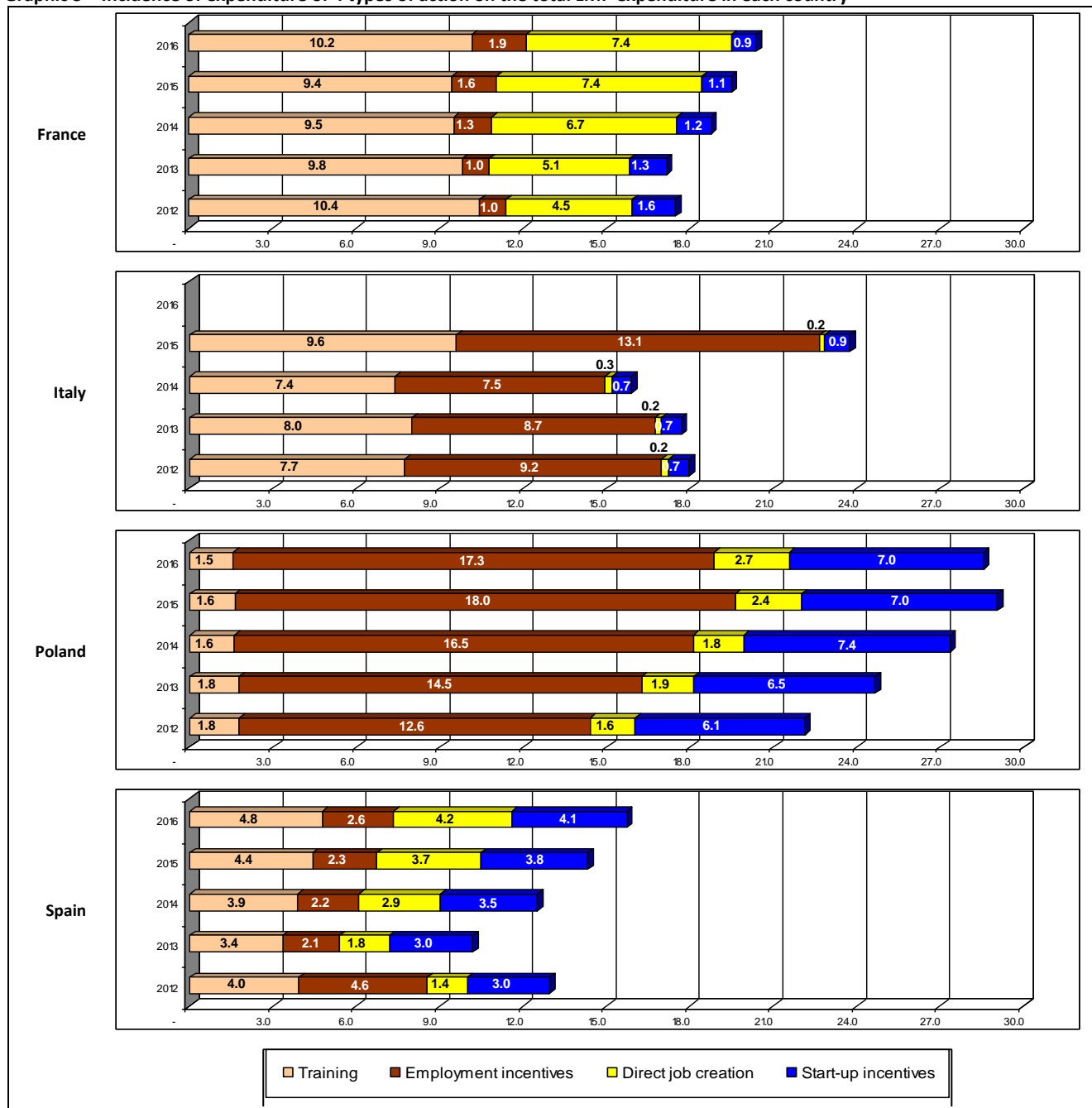
The trends appear to be very different among the four countries, also taking into consideration four single measures: Training, Employment incentives, Direct job creation and Start-up incentives.

According to graphic 3, it appears evident that Poland is the country which invests more in these four measures and Spain is the country with the lowest investments. However, Poland decreased its budget for these four measures in 2016 while it increased in Spain and France. Despite the fact the 2016 data for Italy are unavailable, it must be underlined that this country, in 2014, spent about 16% of its LMP budget for these four categories while, the year after, it spent a lot more, rising to about 23%. In 2012, expenditure for the four actions decreased in France and Spain but, in the following years, it constantly increased in both countries. Poland increased its budget for these actions between 2012 and 2015 while, in the last year considered, it decreased.

Regarding the single categories, France invests a lot in training and direct job creation and very little in employment and start-up incentives. Similar to France, in Italy a high part of the national LMP budget is for Training but, differently, direct job creation has a very low incidence, together with start-up incentives. However, employment incentives have a central role in this country. Poland also invests a lot in employment incentives and, more than the other countries, in start-up incentives. Training and direct job creation are not very incisive in Polish LMP expenditure. Spain, as we have already written, is the country with the lowest expenditure for the four measures. In fact, even if their incidence on Spanish LMP

expenditure is increasing, it remains under 16%. In Spain, in 2016, training, direct job creation and start-up incentives had a similar incidence, while employment incentives were the lowest. It has to be underlined, that, in 2012, Spain spent more on this measure (graphic 3).

Graphic 3 – Incidence of expenditure of 4 types of action on the total LMP expenditure in each country



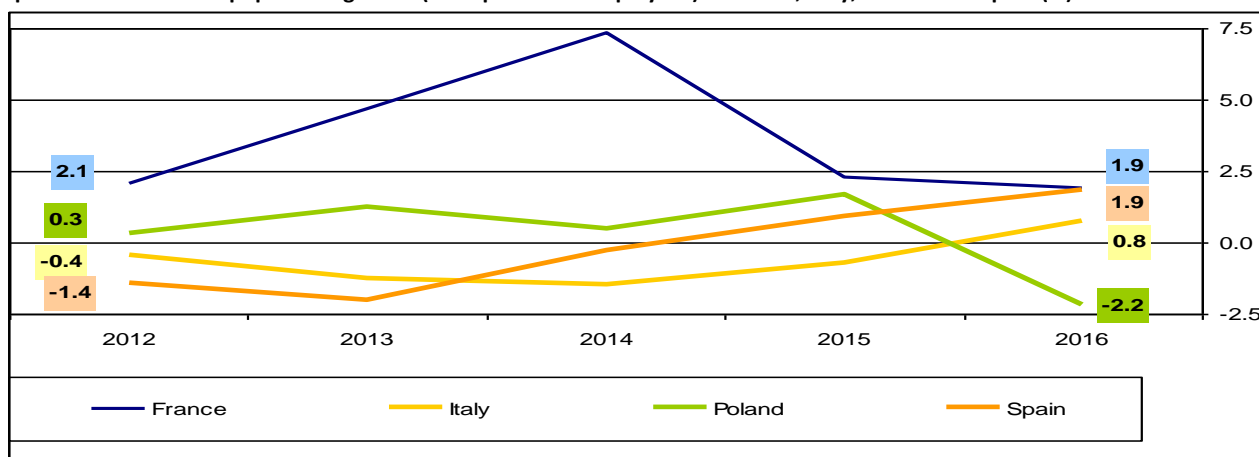
Source: Eurostat data on Labour market policy (lmp) and own calculations. Note: Italy's data are unavailable for 2016

Desk research also took into consideration the development of enterprises with 0-9 employees and the three sub-categories of enterprises (0, 1-4, 5-9 employees). Also in this case, certain differences appeared in the four countries.

Unfortunately, part of the data are unavailable for the years 2012 and 2016. However, some evidence must be underlined.

Net business population growth of enterprises with 1-9 employees was strongly variable in France, where it considerably increased in 2012-13 and strongly dropped in 2014. In Poland, after being more or less stable between 2012 and 2015, in 2016 dropped strongly. In Italy and Spain, however, in recent years, the number of enterprises increased (graphic 4).

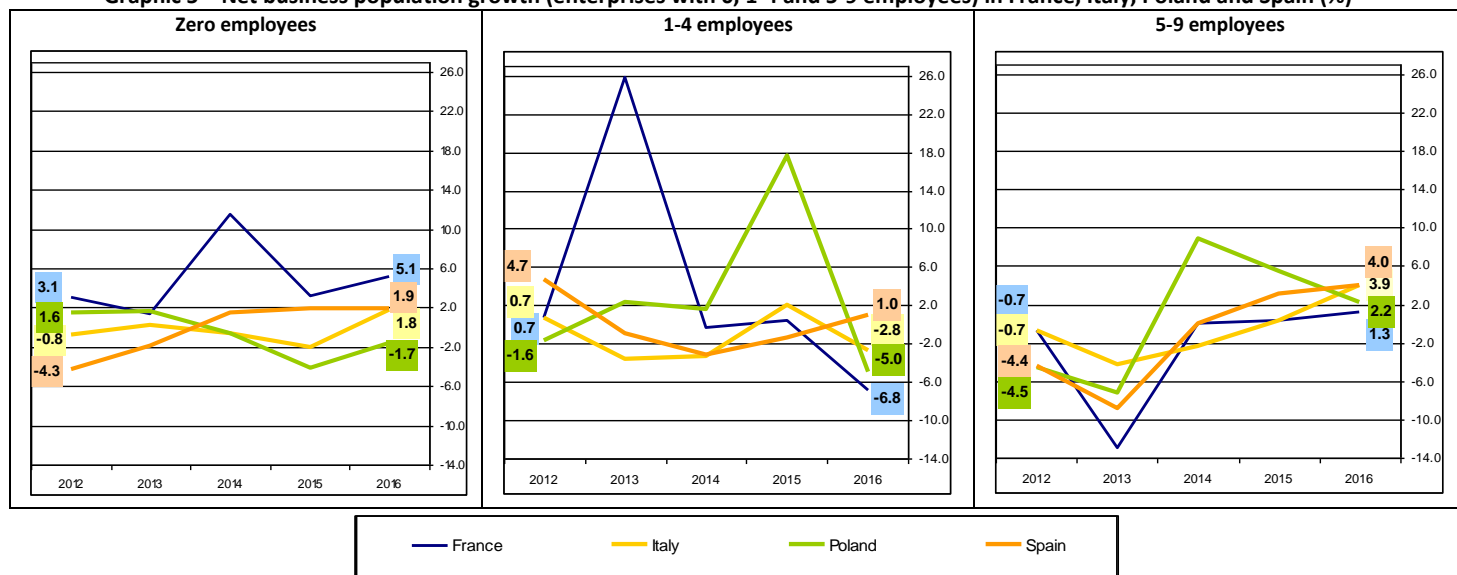
Graphic 4 – Net business population growth (enterprises 0-9 employees) in France, Italy, Poland and Spain (%)



Source: Eurostat – Business Demography

As we can see in graphic 5, the three sub-categories of enterprises also showed a strong variability in France and Poland while they remained more stable in Italy and Spain.

Graphic 5 – Net business population growth (enterprises with 0, 1-4 and 5-9 employees) in France, Italy, Poland and Spain (%)



Source: Eurostat – Business Demography

In France and Poland, enterprises with 1-4 employees are the most variable compared to their trend in the other two countries. However, a general, substantial reduction was registered in all four countries

between 2012 and 2016 (-3.7pp in Spain, -3.5pp in Italy, -7.5pp in France and -3.4pp in Poland) despite the fact the number of these enterprises increased a lot in 2012 in France and in 2014 in Poland (graphic 5).

Among the three sub-categories, enterprises with 5-9 employees registered the best results. In fact, between 2012 and 2016, their net population grew 2pp in France, 4.6pp in Italy, 8.4pp in Spain and 6.7pp in Poland. Thanks to these increases, in 2016, net business population growth of these enterprises was positive in all the countries.

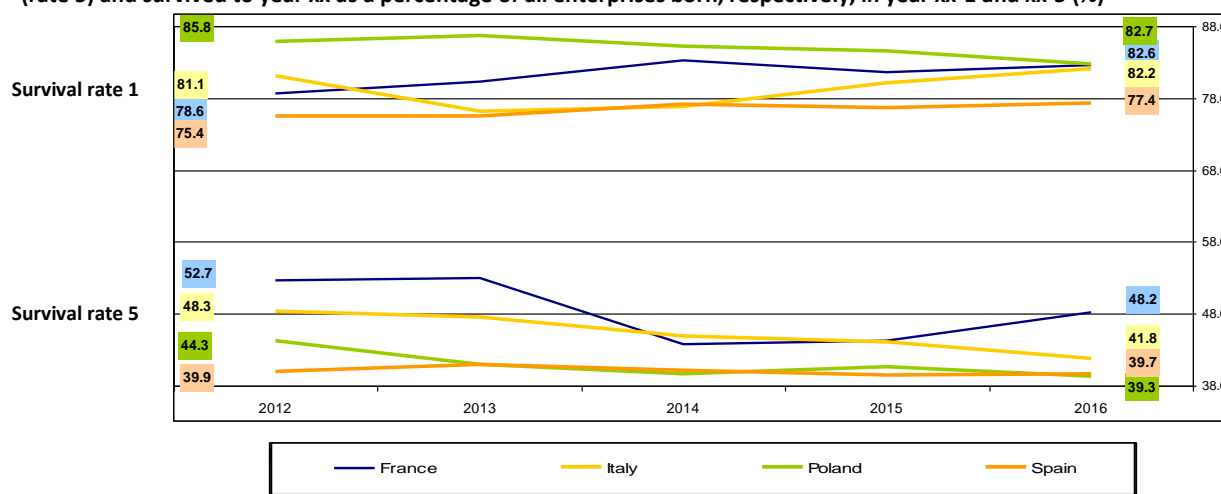
The smallest enterprises (zero employees), increased in all countries, with the exception of Poland where these enterprises started with a positive 1.6% in 2012 and finished with -1.7% in 2016. On the contrary, the other three countries registered an increase in the four years, finishing with a positive result in 2016 (graphic 5).

Data regarding the survival of these enterprises were collected according to the following criteria:

- enterprises newly born which survived after one year and
- enterprises newly born which survived in the following five years.

According to graphic 6, while the survival of one-year-old enterprises is more or less positive for all the countries, with the exception of Poland, the survival of the older enterprises is more problematic. In fact, between 2012 and 2016, Survival rate 5 decreased in all the four countries.

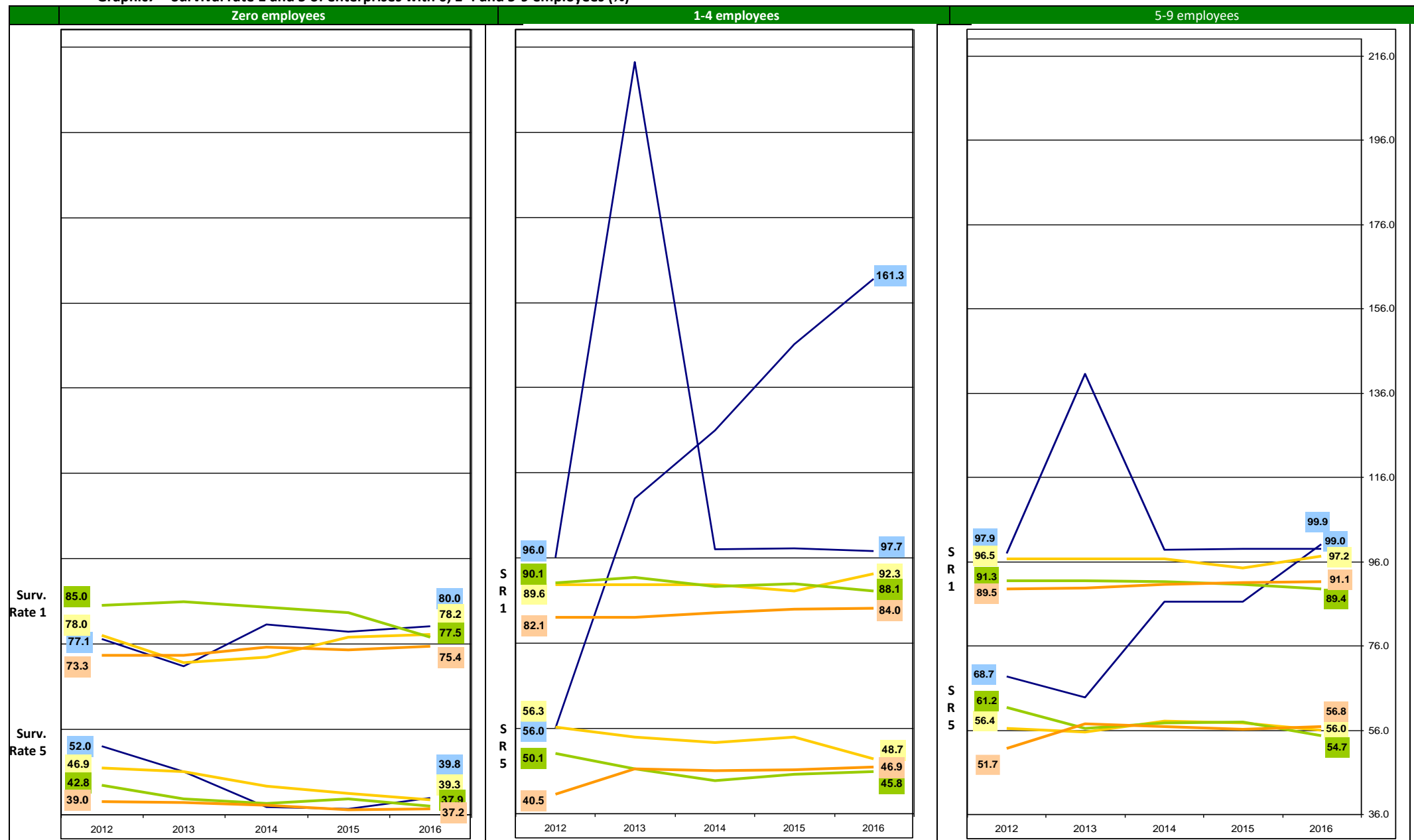
Graphic 6 –Survival rate: Number of enterprises (0-9 employees) that were born in year xx-1 (rate 1) and in year xx-5 (rate 5) and survived to year xx as a percentage of all enterprises born, respectively, in year xx-1 and xx-5 (%)



Source: Eurostat – Business Demography

We found the same trend in the sub-categories, with survival rate 1 more positive and higher than survival rate 5. However, France shows a big difference compared to the other three countries. In fact, in this country, survival rates 1 and 5 registered very variable trends regarding enterprises with 1-4 and 5-9 employees and, differently to all the other countries, in 2016 survival rate 1 was more positive than survival rate 5. Furthermore, it must be noted that the bigger the enterprises were the greater were their chances of survival (graphic 7).

Graphic7 – Survival rate 1 and 5 of enterprises with 0, 1-4 and 5-9 employees (%)



Source: Eurostat – Business Demography



With financial support from the European Union

1.4.2 Legislative framework

The normative framework has a relevant role in the support of the consequence management of restructuring and to help redundant workers in updating their skills or starting a different job. Considering this central role, the research group analysed the opportunities offered by the normative framework both at European and National level.

1.4.2.1 European programmes and funds

The research identified some EU programmes which aimed to support initiatives in promoting national policies in order to face the consequences of restructuring or closure of plants. Some of these EU opportunities are reported in the table below.

Type/Title/Data	Brief description	Link
EU umbrella programme for employment and social policy: EaSI	The EaSI programme is an umbrella programme that aims to contribute to the implementation of Europe 2020, including its headline targets, integrated guidelines and flagship initiatives, by providing financial support for the Union's objectives in terms of promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. The global budget for this period is 919 million euros. EaSI incorporates and extends the coverage of three existing programmes, namely the programme for employment and social solidarity (Progress), European Employment Services (EURES) and the European Progress Microfinance Facility, which have been allocated 61%, 18% and 21% of the budget respectively.	http://ec.europa.eu/social/main.jsp?catId=1081
Progress	Progress (programme for employment and social solidarity) supports the development and coordination of EU policy for employment, social inclusion, social protection, working conditions, anti-discrimination and gender equality. Its funding supports EU policies in three areas: employment, especially to fight youth unemployment (min. 20%); social protection, social inclusion and the reduction and prevention of poverty (min. 50%); and working conditions (min. 10%). Progress is increasing support for the testing of social and labour market policy innovations and experimentation.	http://ec.europa.eu/social/main.jsp?catId=1082
EURES	EURES (European Employment Services) strengthens the European Job Mobility Portal and develops targeted schemes to promote the mobility of EU workers and individuals. EURES funds are allocated as follows: 32% to transparency of job vacancies; 30% to develop services for the recruitment and placing of workers; 18% to cross-border partnerships (new support services for cross-border commuters); and 20% to cross-cutting projects.	https://ec.europa.eu/eures/public/language-selection
Microfinance and social entrepreneurship	Microfinance and social entrepreneurship (MF/SE) increases the accessibility and availability of microcredit - loans below EUR 25,000 - to individuals and microenterprises for setting up or developing their business. It also introduces funding for social enterprises, especially by facilitating access to finance, and seeks to build the institutional capacity of microcredit providers. MF/SE funding is evenly spread between microfinance and social entrepreneurship.	http://ec.europa.eu/social/main.jsp?catId=1084&langId=en

SOURCES: EC Annual Growth Survey 2017; EURLEX: - job creation measures

Furthermore, in Europe we find some specific instruments (Funds) created by the EU in order to help workers who have lost their jobs and to support local economies. These instruments are identified in the Communication from the Commission to the European Parliament, the Council, The European Economic and Social committee and the Committee of the regions "EU Quality Framework for anticipation of change and restructuring" COM(2013)882 final (see the table below for more information).

According to the above-mentioned Communication, with *more than 10 billion Euros invested across the EU every year, the European Social Fund is the main financial tool used to invest in improving the skills of the workforce and its capacity to adapt to change.*

The above-mentioned Communication also underlines the important role of EU Directives regarding information and consultation of workers, involving workers and their representatives in the processes of restructuring and in the management of these matters. However, as the communication underlines, some factors may have contributed to reducing the effectiveness of the Directives, above all *the exclusion of*

smaller enterprises, public administrations and seafarers form the scope of application of the Directives was questioned by some stakeholders as diminishing the practical value of the Directives for a significant proportion of the workforce.

Type/Title/Data	Brief description	Link
The European Globalisation Adjustment Fund (EGF)	The EGF provides one-off, time-limited individual support to help workers who have been made redundant in difficult circumstances and most often as part of mass lay-offs. The EGF helps workers cope with the negative consequences of restructuring by financing measures such as job-search assistance, career advice, tailor-made training and re-training, and promotion of entrepreneurship, as well as individual allowances in order to participate in various re-skilling and training activities.	http://ec.europa.eu/social/main.jsp?catId=326&langId=EN
The European Regional Development Fund (ERDF)	This Fund aims to reinforce economic and social cohesion by redressing the main regional imbalances through support for the development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions lagging behind, and support for cross-border, transnational and interregional cooperation.	http://ec.europa.eu/regional_policy/en/funding/erdf/
The European Agricultural Fund for Rural Development (EAFRD)	This Fund supports farm and business development, investments in the setting up, improvement and expansion of basic services for the population and related infrastructure as well as economic, environmental or social co-operation among different types of actors.	https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:en:PDF
The European Maritime and Fisheries Fund (EMFF)	The EMFF supports human capital investments to better match the skills of the operators with those needed, more generally on the labour market, for example by supporting apprenticeships or lifelong learning.	https://ec.europa.eu/fisheries/cfp/emff_en
Erasmus +	This programme contributes to supporting life-long learning policies. It integrates the different educational sectors and bridges the gap between formal, non-formal and informal learning. It supports the modernisation of education and training systems and promotes innovation, entrepreneurship and employability.	https://ec.europa.eu/programmes/erasmus-plus/node_en

SOURCE: European Commission

In the same communication, we can also find several specific initiatives in the field of anticipating and managing change and restructuring together with suggestions of good practices which social actors can follow in order to anticipate changes and manage the restructuring processes. These suggestions are summarised in the table below.

Summary of actors and good practices

	ANTICIPATION OF CHANGE	MANAGEMENT OF RESTRUCTURING PROCESSES
COMPANIES, EMPLOYEES' REPRESENTATIVES SOCIAL PARTNERS AND SECTORAL ORGANISATIONS	Strategic monitoring of economic, business and market environment Mapping of jobs and skills needs Multiannual plan for jobs and skills Flexibility, training and career development measures targeted at individual workers Promote internal and external mobility Information, consultation and collective bargaining on above issues	Foster internal consensus through joint diagnosis Explore all possible options before contemplating redundancies Organise individual and personalised support for redundant employees Information, consultation and collective bargaining on above issues Involve external actors
INDIVIDUAL EMPLOYEES	Step up their capacity to collect the information needed to understand the situation; Review their skills and update their career orientations; Strengthen their employability and mobility and make professional transitions that are feasible; Exercise their right to education and training and accept the corresponding obligations	Seek information on company strategy Explore possible action to avoid being made redundant Use individual and personalised support
NATIONAL AND REGIONAL AUTHORITIES	Develop forecasting and foresight tools covering jobs and skills and exchange of labour-market information Reinforce ALMP, promote qualification plans and counselling services, give financial support Promote cooperation between actors and risk mutualisation Develop frameworks favouring professional transitions Strategic monitoring of economic, business and market environment Mapping of jobs and skills needs Multiannual jobs and skills plan Flexibility, training and career development measures targeted at individual workers Promote internal and external mobility Territorial employment pacts and public-private partnerships	Collect data on dismissals, monitor the impact of restructuring, support early-warning systems Reinforce public employment services, establish outplacement programmes, promote job creation Support local mobility platforms, mobility through allowances, and financially vulnerable groups Promote partnerships and coordinate the use of Structural Funds Early-warning systems, convene meetings of actors for joint diagnosis Mobile reconversion units, promote attractiveness and job creation Support training and mobility measures

Source: COM(2013)882 final

1.4.2.2 National legislative framework

Together with the European normative framework, researchers analysed the national aspects which could support and foresee measures in the economic and social field. These normative frameworks exist in all the countries involved in the project. However, two laws, in particular, have played an important role in resolving the cases in France and two important laws which directly supported the workers' buyout in Italy. These laws could be taken into consideration as good practices at European level.

A brief description of these four laws is outlined below.

Original title /English title	Brief description
Loi Florange "pour reconquérir l'économie réelle" : law for the recovery of the real economy (2014)	Any corporation that wishes to close a site of more than 1,000 staff through collective layoffs must look for a buyer for the site and staff.
Nouvelle Organisation Territoriale de la République New Territorial Organization for the Republic (NOTRE law) (2015)	The law aims to accelerate processes of decentralization and to reinforce regions' ability and economic power.
"Destinazione Italia", l. 9/2014 law 21 February 2014 no. 9	Law 9/2014 establishes the pre-emptive right for ex-workers organised in cooperatives to buyout or to rent the company in cases of bankruptcy (Art. 11 paragraphs 2 and 3)
Provvedimenti per il credito alla cooperazione e misure urgenti a salvaguardia dei livelli di occupazione commonly known as <i>Legge Marcora</i> (and subsequent amendments and additions) 1985	The Law, together with additional complementary business legislation and further reforms to the law in recent years, has promoted the consolidation and start-up of cooperatives and, in particular, the conversion of firms in difficulty into worker cooperatives. Special funds for financing worker buyouts have been established by the law and by the representative organisations of cooperatives

2. Case studies

2.1 France: case studies

FRANCE: CASE N. 1 KME

Start date/end date of the case: 2011-15
Sector of activity: metal industry
Number of workers involved: 260
Local Area: *Givet, Champagne-Ardenne*

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series
For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	63.8	60.6	61.6	60.6	61.5	59.5	59.9
Unemployment	7.5	10.3	10.7	10.5	11.4	13	11.3

Employment according to economic activity (NACE Rev. 2) 15-64 years– (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing	690	742	742	782	721	694	727
	% of total	3	3	3	3	3	3	3
B-E	Industry (except construction)	4,068	3,827	3,752	3,693	3,614	3,609	3,613
	% of total	15	15	14	14	14	14	14
F	Construction	1,915	1,920	1,893	1,809	1,741	1,686	1,690
	% of total	7	7	7	7	7	6	6
G-I	Wholesale and retail trade, transport, accommodation and food service activities	5,658	5,631	5,653	5,677	5,711	5,792	5,856
	% of total	21	22	22	22	22	22	22
J	Information and communication	667	759	749	705	717	740	736
	% of total	3	3	3	3	3	3	3
K	Financial and insurance activities	827	871	849	857	859	873	860
	% of total	3	3	3	3	3	3	3
L	Real estate activities	357	317	314	378	420	390	350
	% of total	1	1	1	1	2	1	1
M-N	Professional, scientific and technical activities; administrative and support service activities	2,337	2,392	2,379	2,453	2,453	2,456	2,523
	% of total	8	9	9	9	9	9	10
O-Q	Public administration, defence, education, human health and social work activities	7,636	7,795	7,914	7,957	8,197	8,238	8,209
	% of total	29	30	30	30	31	31	31
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	1,657	1,755	1,690	1,595	1,465	1,357	1,380
	% of total	6	7	6	6	6	5	5
NRP	No response	684	170	179	275	274	329	346
TOT.	Total - all NACE activities	26,341	26,122	26,125	26,107	26,172	26,163	26,289

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>	:	10	9	9	9		
V97021 Proportion of enterprise births in the reference period (t) according to size class	:	:	:	:	:		
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>		6	5	5	5		
V97031 Proportion of enterprise deaths in the reference period (t) according to size class	:	:	:	:	:		
V97015 Business churn: <i>birth rate + death rate</i>		16	14	14	15		
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>	:	:	:	:	58		
V97053 3-year old enterprises' share of the business population		5	6	6	5		
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>	:	3	2	3	3		
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>	:	125	122	130	123		
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>	:	16	14	23	18		

V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>	:	3	3	2	2		
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>	:	240	256	140	139		

Historically, the economy of the Champagne-Ardenne region has been characterized by substantial industrial activity. At the end of 2007, 32% of non-farming salaried trade contracts came from the industrial sector -- 10 points above the national average. Starting in 2008, the metal industry started suffering due to the economic recession: between 2008 and 2013, the metal sector lost 11% of its workforce at national level and 17% at regional level. Since 2008, industrial employment has stagnated at around 14%, making it the second largest employer. The metal industry is most active in the Ardennes department, where it accounts for 33% of employees and 32% of businesses.

The township of Givet, where the KME Group is located, is part of a group of local municipalities called Ardenne Rive de Meuse, which includes 19 townships and hosts 29,000 inhabitants. Unemployment in Ardenne Rive de Meuse (19.5%) is higher than the departmental average (17%) as well as the regional average (11.2%). This area, situated at the farthest point of a stretch of land that extends out of the region, is remarkable in that it lies right next to the Belgian border. The Meuse Valley, which had specialized in metal work since the 19th century, has seen its most important metal plants shut down one after another. In the 1980s, when a branch of Mital first left the area, the Meuse region began a painful process of deindustrialization. As factories that had become historical landmarks closed, they sparked various levels of interest among public authorities and in the media. The Cellatex bankruptcy in the early 2000s (another company based in Givet) caused significant turmoil. The workers' radical tactics -- they threatened to blow up the site and to release chemical products into the adjacent river --, while obtaining them more advantageous severance deals, also provoked heated criticism from those who questioned the legitimacy of such actions. The opening of a nuclear plant recently helped revitalize the area after it hired 1,000 employees on regular contracts.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4	Resp. n. 5
Gender (i.e. male or female)	Male	Male	Male	Male	Male
Role	Negotiation	Negotiation	Facilitator who assisted KME by helping pass the pledged inventory bill.	Expertise, Technical support	Facilitator
Role of the respondent in the case	Union representative, employee representative, union representative in the works council.	Works council secretary	Elected representative (Socialist Party) for the Ardennes region	Accounting expert mandated by the works council	Community official for the Ardennes Rives de Meuse townships

KME, an international industrial corporate group, is the world leader in production and distribution of copper and copper alloys. It was set up in 1995 from three companies: Tréfinmétaux (France), Europa Metalli S.p.A (Italy), and KM-Kabelmetal (Germany). These three companies had long been players in the European copper industry. KME's capital is now entirely owned by the Italian company SMI. In France, Tréfinmétaux and its predecessor (Tréfileries et Laminoirs du Havre) had set up their activity in Givet in 1907. An embodiment of the French copper industry, this centenarian factory has had a strong impact on Givet, particularly through its leaders' paternalistic management of living quarters and public space. Even today, Tréfinmétaux workers (most of whom have spent their entire adult life at the factory) are very attached to the company.

However, starting in 2008, KME entered a period of both structural and short-term crises. First, the production of tubes for both industrial and construction purposes was hit following the 2008 economic crisis and orders from the construction industry started dwindling. Second, when substitutes such as plastic and aluminium hit the markets, and the cost of copper rose dramatically, copper tube production lost some of its appeal. Third, the emergence in Malaysia and China of large industrial groups specialized in industrial tube production has created unprecedented competition for European producers.

In this unfavourable economic setting, the KME Group decided to set up a strategy for disengagement, streamlining, and cessation of activity in some of its European production units. In 2010, the Roche Fagne site closed, and its workforce was relocated to Germany. Starting in 2011, the company's leadership started mentioning plans to shut down the Givet site in France and the Fornacci di Barga site in Italy. Their goal was to concentrate tube production in one site in Menden, Germany. Trade unions at KME (mostly the CFDT, a major French union) attempted to improve the situation by signing a productivity clause, in which a company agrees to maintain or increase production at a site in exchange for modifications in working conditions. By significantly lowering maintenance and production costs, adapting the workforce to new production tasks, and negotiating ten company-financed "early retirement" deals, the site's productivity went up by 20%.

This cooperative attitude is quite in tune with the positions and strategies defended today by the CFDT. Indeed, although historically, the CFDT built its identity on the construction of a theory of democratic socialism, from the 1970s, the organization has changed its ideological position. Today, the CFDT encourages workers not to overpoliticize work conflicts, claims that wage demands must be measured for economic reasons of general interest, and deems that strikes must be rare. Socialism is no longer part of the trade union project, and the market must be regulated and considered a framework that trade unionism has to deal with. As opposed to protesting unionism, the CFDT stands for a "syndicalisme de proposition".

However, over the course of the summer of 2015, despite significant improvements, the group's leadership announced their decision to close the Ardennes site. Cessation of activity was scheduled for January 21st, 2016. The group named a new CEO to manage these procedure.

Faced with a seemingly final decision, worker representatives changed their attitude dramatically. For Rachid Belkebir, union delegate at KME, this was no longer the time to negotiate a deal for voluntary layoffs. At that point, 260 jobs were on the line. To draft a deal for collective layoff would radically damage

the fabric of the local community. The high level of seniority among KME staff (at least 20 years in the company) and the crumbling industrial network in the area gave the workers few illusions concerning their future prospects.

Worker representatives called for support from institutional and political actors at local (community of townships, mayor), regional (Ardennes's Socialist Party deputy), and national levels (the commissioner for production recovery; DIRRECTE - the French government agency in charge of enterprise, commerce and labour; the prefect). First, the representatives sought to attract media attention. After launching a social media campaign and communicating on traditional media (TV channel France 3, regional radio shows), they managed to mobilize a group of supporters. One of their most important allies, the Ardennes' Socialist Party deputy, Christophe Léonard, promised to defend KME workers at the National Assembly. On January 2014, he publicly addressed production recovery minister Arnaud Montebourg with a question concerning the future of the copper industry in France. Arnaud Montebourg, who is well known for his support of government intervention in favour of products made in France, promised to address the issue.

At the same time, KME unions closely followed legislative developments concerning the vote on the Florange bill. This law for "a recovery of the real economy", a highlight of the Socialist Party's campaign promises, was passed on March 29, 2014. The reform forces any corporation that wishes to close a site of more than 1,000 staff through collective layoffs to look for a buyer for the site and staff. Conscious of the magnitude of the opportunity, the unions asked for some advice from Edouard Martin, who was a figurehead in the struggle to keep Florange open and now deputy at the European Commission. Martin warned them against certain "pitfalls": for the law to apply, an industrial site must be considered productive, must be able to prove the viability of its facilities and machinery, but also its capacity to deliver to clients. A strike, by preventing the delivery of the site's products, could permanently jeopardize the future of the KME site.

CFDT union representatives thus launched a communication campaign to raise awareness among workers. The campaign addressed workers registered with the CGT (Confédération Fédérale du Travail, another major union), as well as other disillusioned staff. The CFDT sought to convince them that they should continue working on the site despite the atmosphere of fear and uncertainty that made some workers want to use more radical means. Since most of the workers on site were unionized -- the majority of them with the CFDT (80% in the last elections) -- and thanks to the high trust workers place in Richard Belkebir, news spread quickly and the workers were able to hold a coherent and united position.

Under the Florange law, KME's leadership had four months to find a buyer for their site. A joint commission was formed and assigned the task of weighing up various options. The commission included the Direction Générale des Entreprises (a branch of the French government dedicated to growth and enterprise), the leadership of KME's local branch, elected representatives, SYNDEX (a group of accounting experts specialized in informing and representing employees), and a revitalization specialist. Unions questioned the earnestness of the leadership's efforts to find a serious buyer. Admittedly, since the KME Group planned to continue its activities in Germany, it had little interest in finding what might become a competitor. Therefore, the experts mandated by the work council (a committee designed to defend employee interests within a firm) demanded regular follow-ups from the KME leadership on the status of their search. The regional prefect played a significant role when he clarified to the leadership their

environmental and social responsibilities. Estimating the costs of de-pollution at several million Euros, he reminded the group of their obligation to leave the site clean of any pollution should they be unable to find a buyer. This argument seemed successful, and the leadership soon considered an offer from a major French industrial group. Representatives were very supportive of this project. In addition to being reassured by the national base of this group, they believe that the industrial project (using the antiseptic potential of copper to specialize the production in the hospital industry) is in line with their vision of a sustainable future. Moreover, this group also offered to keep the site open, and to develop the activities of the factory.

Although the industrial project of the buyer corresponded perfectly with the social partners' expectations, an unanticipated problem came up concerning the financing of the site's purchase. To purchase a site that contains more than 8 tons of extremely costly copper is impossible without the financial backing of banks. KME's uncertain economic situation barred the buyer from being able to borrow the necessary funds. Once again, Christophe Leonard spoke in front of the Assemblée Nationale. This time, he publicly interrogated Emmanuel Macron, recently named minister of the economy. After he expounded the many benefits of copper, whose "perfectly recyclable nature" and other ecological advantages bear no comparison with plastic. Léonard highlighted the importance of preserving France's autonomy in the extractive industry. To support his argument, he used the market study carried out by Christophe Berardi, an expert mandated by the KME work council¹.

Using an existing German law as a model, he proposed a bill that would allow banks to offer investment loans by using a company's inventory as a pledge. As the cost of copper was high and stable, a bank accepting to fund KME's buyer would take very limited risks. The bill on pledged inventories was passed on January 29, 2016.

Now that banks could count on the security of the company inventory to lend to potential buyers, negotiations resumed. KME's leadership submitted to the committee a proposal by the Finnish Group, Cupori, whose project seemed quite attractive. Indeed, Cupori intended not only to continue metal production, but indeed to double the site's output. The Givet site would thus work as a delivery plant for the Group's companies in Alsace (Niederbruck), Italy (Serravalle), and Finland. Preserving employment was costly, however. Citing regular losses, the Finnish buyer announced that it wished to go into 2016 with a strategic economic plan. The group was considering lowering payroll costs by letting 70 workers go, which would allow it to save 3 million Euros in the short term. Unions would not budge and continued to systematically oppose layoffs. However, in an effort to meet Capori's demands, they offered to design their own strategic economic plan. With this plan, the workers would collectively determine ways in which they could cut the company's structural costs. They identified a number of avoidable expenses and took several specific measures. Staff representatives limited their travel expenses as much as possible, and the staff shuttle bus was discontinued. But the most significant transformations came in the global organization of labour. Night shifts were cancelled (the three-shift system was replaced with a two-shift system), and the

¹ In France, the "Health and Safety Committee (one of the staff representative bodies) can make use of an external expert at the expense of the company if a restructuring project modifies the health, safety or working conditions. Officially this person must not decide the trade-Union Strategy, but can provide advice and arguments to help them consolidate their actions.

transition time between shifts fell from 10 to 5 minutes. To compensate for losses in salary, workers agreed to work one extra day, and the company's leadership conceded some overtime hours. On top of these changes, the payroll costs went down due to 33 early retirements and some voluntary layoffs due to professional transitions.

With these transformations, the committee signed an agreement in November of 2015 that established the formation of a new joint venture group: KME (with 51% of shares) and Mirko Kovats (with 49% of shares). KME agreed to assist the company with the purchase of raw materials for the first 3 years.

Although the employees' positions now seem safe, KME staff representatives say that they remain cautious. Capori is still far from achieving its early ambition to free itself of KME's economic control. Employees have noticed a decrease in their site's activity: the production forecast of 16,000 tons/year has already fallen to 14,000 tons/year. Rachid Belkebir suspects that Capori only sought to incorporate KME to put pressure on its former Finnish copper supplier and compel them to lower their prices. In fact, the exportation costs of copper from Givet to Finland are quite high, and it is difficult to believe the company will really execute their plans.

Despite this precarious equilibrium, staff representatives estimate that the balance of power is still paradoxically in their favour. Capori is a subsidiary of KME, and KME does not have to report back to Capori. However, KME's leadership is still legally bound to answer staff representatives' questions concerning their strategy, so as not to obstruct the free exercise of employees' rights. Thus, unions have come to play a mediating role and to ensure some communication between the two partners. They do hope however that the situation will be resolved before KME -- who is already finding it difficult to supply its own sites with raw materials -- becomes bankrupt.

Though the future of the company is still uncertain, the feat of saving 260 jobs in the course of 6 years in a region of such deep recession represents a serious victory. This success, according to the actors interviewed, is primarily due to the relentless work of CFDT staff representatives, as well as to the trust they gained from workers as a result of their efforts. Without doubt, the high rate of unionization and the overwhelming majority of workers who voted for the CFDT in the last elections (80%) made it possible to develop a coherent and coordinated strategy. Not a single day of strike was necessary. Besides, legal and economic training provided by the CFDT, as well as other available tools and resources (accounting and legal experts) enabled staff representatives to work efficiently. They proved their ability to search for and find a buyer by cooperating with the leadership on equal terms. Their successful appeals to institutional, territorial, and political allies shows that coordinated action, on both local and national scales, is the adequate response to emerging issues of globalization. Indeed, while rising competition between employees from different countries is outside the scope of local, collective action, unions can find strengths in their local anchoring when strategizing. KME's case clearly shows that union localism is not necessarily a sign of weakness in the context of a global corporation. The politicization of workers' situations was fundamental. In fact, they were received several times at the ministry of labour and at the prefecture and they publicly met the labour minister, Myriam El Khomri, managing to create a legal precedent and to transform the jurisprudence for future cases.

We have seen in this case how much, in France, the law could be mobilized as a central resource (application of the Florange law, lobby to pass a law). Until recently, in France, almost all labour relations

were governed by law, and therefore by the "pyramid of norms". According to the hierarchy of norms, legal and regulatory standards are superior to agreements negotiated by the social partners. The only possible exemptions are those that are favourable to employees: collective agreements cannot be less favourable to employees than what is foreseen by law, and the company agreement cannot be less favourable for employees than the sectoral agreement. Finally, the employment contract cannot be less favourable than the provisions of the company agreement.

From the beginning, the CFDT has distinguished itself from other trade unions by a particular relationship to the law. Since 1982, on the basis of renewed social rights (loix Auroux), the CFDT have put the judicial strategy at the centre of its repertoire of actions. This approach does not mean, however, the conversion of the CFDT to a form of legalism. Indeed, the CFDT wants to show the existence of a specific union vision and use of the law.

Thus, the long-term solution to workers' problems begins with the establishment of a favourable balance of power in the workplace through collective struggles, because it is from this balance of power that the respect of the law depends. Actually, legal remedies play only a minor role compared to labour law and the improvement of wages and working conditions and the relative respect for labour law is essentially based on the presence of trade unions and their actions. Besides, the aims pursued by trade unions do not correspond to a legal logic that consists in "enforcing the law because it is the law". Trade union logic is determined by a lucid analysis of the situation of the workers, the state of the labour market and the power struggle with the management, as well as the effect of the criminal action on this situation and on this balance of power. In this prospective, law will be used as a resource, in case of necessity, and negotiations will remain a priority.

The case of KME is a perfect example of how a company's unions, through the legal training provided delivered by the national Trade Union organization, have succeeded in enforcing a law. As we explained, the deliberate procrastination of the management may have been enough to prevent the purchasing process, although this process is determined by legislation. Hence it is the strategic use of legal resources, in a certain balance of power, which has made it possible for the unions to carry out their action.

TRANSFERABILITY OF THE CASE-STUDY

The use of the Florange law, no version of which seems to exist in other countries, could lead one to think that the struggle with KME is not applicable in other national contexts. However, KME's case, which determined the vote on pledged inventories, also proved that a German law could be used as a model and imported into the French legal context. It's not far-fetched to imagine that, given sufficient political will, a law resembling the Florange bill could be introduced and passed in other European countries.

KME's case is also interesting in that it very concretely illustrates the possibility of transnational negotiations at corporate level. Since the 1990s, the European Federation for Metal Workers (FEM) has successfully negotiated the mandatory implementation of European Group Committees in companies that, like KME, own sites in many European countries. On September 22nd, 1996, the Council of the European Union and the European Parliament passed a directive that mandates, for all transnational companies of more than 1,000 staff within European economic borders, the institution of a commission that brings

together employee representatives from all countries where the company is active (a European Works Council). However, this body is relatively powerless, since its theoretical right to make counter-proposals does not bind the leadership. On top of this institutional weakness, this collaboration is hard to implement due to the differing rules of negotiation and representative norms from country to country. In KME's case, for example, the works council brings together three unions with widely different ideological positions and modes of operation: the Italian RSU (Unitary Union Representation, formed by workers that represent trade unions operating in the factory and elected by all the factory-workers), IG Metall, which operates according to the norms of German co-management, and the CFTD, which, though it is considered a conservative union in its French environment, is much more demanding than its German counterpart.

In 2013, the CFTD appealed to the solidarity of other social partners, and met with the FEM (Federation of Metal Workers). According to Rachid Belkebir, this meeting was decisive. If only symbolically, it showed the leadership and the Italian majority shareholder that the three unions would come together and collaborate, thereby transcending national interests. Nonetheless, that different units have to compete in a context of overproduction remains an immovable obstacle. On top of disagreements resulting from contrasting national interests, institutional and ideological differences continue to hinder transnational collaboration.

The German union, IG Metall, sees the relocation of KME's activity to Germany as a great opportunity. Though they theoretically share other unions' priorities of maintaining employment, the Germans consider that it is legitimate to prioritize the most profitable company. Since the German unions do not have a right to halt companies' decision-making process, they are hard-pressed to understand the intractability of French unions, who refuse to negotiate lower salaries, the labour setup, or layoffs. This position, which the Germans deem dogmatic, contradicts the basic tenets of co-management. Similarly, keeping open the Givet site directly threatens 600 positions at the Italian metal factory. The Italian government offered KME access to the Cassa Integrazione, a partial unemployment program paid for by the state, which enables the company to significantly lower its social security costs.

These two examples clearly show the extent to which legal contexts and national public policies play a decisive role in the way social partners view their situation. In France, the Alert Rights (allowing employees to report a life-threatening situation to their employer without repercussions), the Expertise Rights (allowing the work council to call on experts to provide information for decision making), and the ability to make use of the Florange law procedure all open strategic options unique to unions. On the contrary, the direct involvement of the state in Italy, in Germany, the ability of work councils to name and expel members of the executive board and to participate in shaping the company's future lead to different stances.

Unless work councils are granted more decisional power or unions become more conscious of their shared interests, these positions will remain incompatible. According to Rachid Belkebir, the main objective today is to bring social partners, shareholders, but also national governments to an understanding that they should work to maintain a European copper trade network established in multiple countries, so as to guarantee a market for the product.

RECOMMENDATIONS

Tools, process, and strength of KME's strategy

The following aspects have been identified in this case study as decisive factors for an industrial system that can safeguard jobs and employment levels.

- *Openness to policies (considering new pathways and trying out new strategies rather than tested models if innovative approaches might be beneficial), openness to business models (adjusting new framework conditions), and openness to aspects of employment (not sticking too long with situations that are not sustainable in the medium or long term).*

KME's representatives showed their ability to remain open to new jurisdiction (Florange Bill) and to use it in order to design new innovative strategies.

In accepting to cooperate with the management (Productivity clause, involvement in the Economic Plan), and in choosing the Capori project, they were also able to embrace new framework conditions, and to deal with new aspects of employment (negotiation of voluntary layoffs due to professional transitions).

- *Collective spirit, commitment and active engagement as well as mutual support of relevant regional actors (including companies) to jointly deal with the challenges and find solutions resulting in acceptable outcomes for all. This is facilitated by pre-established structures, a tradition and an experience with multi-taskholder cooperation and good communication (high level of interaction based on mutual trust) and legal or perceived (personal bonds, social responsibility) obligations to participate.*

The commitment of relevant regional actors (Christophe Leonard, le Prefet, Rene Chouen) played a crucial role in the resolution of KME's conflict. The pre-established structures of trust between politicians and KME workers (personal bonds between Christophe Leonard and one of the representatives), between KME representatives people and KME workers (high rate of unionization) and between the KME trade Union and the national CFDT organization have facilitated this cooperation.

The very efficient communication campaign, led within and outside the firm (media) by the trade unions reinforced this collective spirit and the consistency of their strategy.

Finally the new obligation for the leadership to participate was essential for this purchase to happen, but - as explained before - not a deciding factor : without the mobilization of the TU, then of the public actors, KME leadership would not have necessarily tried to find a buyer.

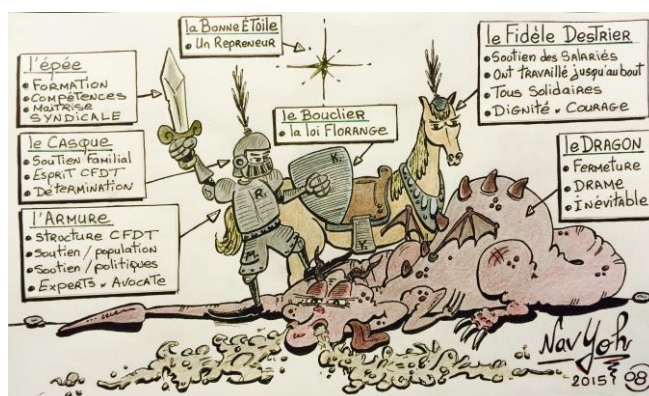
- *An integrated strategy which requires a clear vision of the future, taking into account the past and the changing environment.*

The trade Union's lobbying strategy is based on the promotion of copper as an ecological resource and for its recyclable potential. If today, the cost of this metal is not competitive, an ecologic transition of the economy should make it very much more valuable. For this reason, KME's trade union insists on the importance for France to remain independent in its extractive sector.

Christophe Berardi, an accounting expert mandated by the works council offered some technical support to build this argumentation. A very detailed survey concerning the future of the copper industry was used by Christophe Leonard to defend the KME case at the National Assembly.

In being able to offer a consistent and visionary industrial strategy for the future of their company, based on a deep awareness of the changing environment, the Trade Unions succeeded in defending the importance of the extractive industry sector and to implement a financial legal framework able to guarantee its sustainability (bill on pledged inventories).

In order to politicize their situation, and to transform it into a “public problem”, they followed the classical three-step argumentative strategy defined by Felstiner, Abel and Sarat (1980) : “naming, blaming, claiming”. First they “name” the KME issue : a profit making pant threatened by a financial plan. Then they “blame” the leadership in enhancing the environmental and social consequences of a closure and the state to lose interest in a significant sector. Finally, they “claimed” to stop the closure and to find a new buyer.



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Lestrade Brigitte, Les syndicats en France et en Allemagne : Difficiles adaptations aux mutations de la société Comité d'études des relations franco-allemandes (Cerfa), April 2007

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FRANCE: CASE N. 2 – Peugeot Citroen PSA

Year: 2014-2016

Sector of activity: Car industry

Number of workers involved: 4,722

Local area: *Iles-et-Vilaine, Rennes, Brittany*

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series

For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	66	65	65	67	67	68	68
Unemployment	5.2	7.1	8	8	7.4	7.8	8.6

Employment according to economic activity (NACE Rev. 2) 15-64 years– (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing	69	72	77	73	70	71	62
	% of total	5	6	6	6	5	5	5
B-E	Industry (except construction)	193	206	192	167	192	224	226
	% of total	15	16	15	13	14	17	17
F	Construction	103	93	89	88	97	82	77
	% of total	8	7	7	7	7	6	6
G-I	Wholesale and retail trade, transport, accommodation and food service activities	254	266	285	292	270	275	291
	% of total	20	21	22	22	20	20	22
J	Information and communication	29	26	28	26	28	26	21
	% of total	2	2	2	2	2	2	2
K	Financial and insurance activities	25	30	30	40	30	37	37
	% of total	2	2	2	3	2	3	3
L	Real estate activities	15	12	8	12	15	17	14
	% of total	1	1	1	1	1	1	1
M-N	Professional, scientific and technical activities; administrative and support service activities	102	90	102	106	104	106	97
	% of total	8	7	8	8	8	8	7
O-Q	Public administration, defence, education, human health and social work activities	429	424	408	445	462	446	432
	% of total	33	33	32	34	35	33	33
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	68	66	71	72	62	53	60
	% of total	5	5	6	5	5	4	5
NRP	No response	:	:	:	7	8	9	7
TOT.	Total - all NACE activities							

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>	:	10	9	8	9	:	:
V97021 Proportion of enterprise births in the reference period (t) according to size class	:	:	:	:	:	:	:
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>	:	6	5	5	5	:	:
V97031 Proportion of enterprise deaths in the reference period (t) according to size class	:	:	:	:	:	:	:
V97015 Business churn: <i>birth rate + death rate</i>	:	15	14	13	14	:	:
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>	:	:	:	:	60	:	:
V97053 3-year old enterprises' share of the business population	:	:	5	6	6	5	:
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>	:	2	2	3	3	:	:
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>	:	123	126	132	125	:	:
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>	:	14	16	22	19	:	:
V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>	:	3	2	2	2	:	:
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>	:	255	219	148	140	:	:

Although the 2008 economic crisis has impacted the economy of the French region of Brittany, its capital, Rennes, is one of the most attractive cities in France -- as shown by its steadily growing population. The economic area of Brittany, where unemployment was at a low of 8.6% in 2016, is one of the most dynamic in France. The emergence of four strong and competitive sectors (technology, fishing industry, food innovation, and auto innovation) explains Brittany's relative immunity to the crisis. It is unique in being one of the rare regions to have continuously created employment in the last ten years. Even more impressively, Brittany has managed to increase its industrial employment. Between 2013 and 2016, the share of industrial employment rose from 13% to 17% of all employment.

Brittany's industrial sector is based on four main areas of activity: the food industry (60,000 jobs); the auto industry, mostly the PSA Group (57,000 jobs); electronics and telecommunications (57,000 jobs); naval construction (14,000). Although large corporate groups from France and abroad represent a sizable portion of these sectors, the regional economy is still characterized by a dense network of small and middle-sized companies: 90% of Brittany's businesses have 10 or fewer employees -- including manufacturing companies.

The establishment of Peugeot Citroën in the Rennes area in the 1960s, for example, led to the emergence of a significant network of equipment manufacturers and contractors, who for the most part are small businesses. Since these smaller businesses depend on PSA for their activity, the public authorities and local residents have been adamant to keep PSA in the region.

The Ille-et-Vilaine department, where the PSA-La Janais auto factory is located, is particularly competitive. The department simultaneously benefits from the influence of the Rennes metropolis and from the autonomy it has achieved by forming exchanges with foreign countries and by reinforcing the authority of local townships to convert industrial and farming areas into development sites for the service industry. Thus the Ille-et-Vilaine department, which is the second leading producer of auto air conditioning worldwide, as well as many other companies and startups, has become an economic bastion for the region.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4
Gender (i.e. male or female)	Male	Male	Male	Female
Role	Union representative for the La Janais site Spokesperson for the metal industry in the region of Brittany	Secretary of social conference in the region of Brittany	Commissioner for economic development for the city of Rennes	Commissioner for economic development for the region of Brittany
Role of the respondent in the case	Negotiation	PSA adviser in transition and access to public funding	PSA adviser in transition and access to public funding	PSA adviser in transition and access to public funding

The auto industry in Northern countries was heavily hit by the 2008 recession. Since the auto industry is very sensitive to variations in sales and orders, it had to face the older structural problem of overcapacity. PSA's decline really began in 2005.

The La Janais site specializes in medium-range products, a market segment that suffers from competition from both low-cost and high-end auto industries. Starting in 2006, the company announced collective layoffs one after another. The most significant and traumatizing moment for employees was the 2012 layoff, when the company cut 1,400 positions. At the peak of its activity in 2004, the site employed 9,727 regular staff and about 1,000 part-timers. Today, it employs 4,722 staff, a thousand of whom have been temporally laid off. An early retirement deal has been set up, which enables employees to leave the company 5 years before their retirement age while still receiving 75% of their retirement benefits.

In 2013, as PSA found itself in a precarious economic and industrial situation, the social partners (the leadership and the employee representatives) signed a clause for competitiveness named "New Social Contract" ("Nouveau Contrat Social", or NCS). In exchange for a freeze on salaries, a cut in bonuses, and more flexible work organization, the group promised to renew its production until 2017. The CFDT and CGT (two major unions), at the time in the minority, refused to sign the deal. They deemed it a "foolish deal" that, while theoretically keeping the site open, in reality only pushed back its termination date by a few years.

Meanwhile, in 2013, the balance of power was shifting at PSA. Until that moment, the company union (Independent auto union, SIA), which the leadership favoured, had maintained a majority. By signing the NCS, they lost the trust of employees, involuntarily leading the way to renewal. The CFDT faction jumped on

the opportunity. As Laurent Valmy explains, "between the SIA, who worked too closely with the leadership, and the CGT, who disagreed on principle, there had to be a third way, an independent and constructive union that could steer clear of anti-establishment dogmas".

Several actions propelled the CFDT until it became a major actor of social dialogue at PSA. In 2013, they organized a protest to oppose the NCS and in support of keeping the site open. More than 3,500 people joined them to walk the streets of Rennes. A few months later, borrowing one of the CGT's strategies, the CFDT began important stoppage operations. With clear and concrete demands, they managed to mobilize many more employees than the CGT had. Several times, the plant's production came to a halt for a number of hours. These actions, always used as a final option when negotiations had failed, gained the CFDT the trust of employees, but they also provided a warning to the leadership.

As early as September 2014, the CFDT became the largest trade union in the site with 25% of votes, a progression of 18 points in 4 years. From this new position of power, they could sit at the negotiation table to determine the company's future with the leadership. The competitiveness clause, as well as a national pact concerning the maintenance of employment, was about to expire. The economic context was very different from that of 2013, and worked in their favour: the PSA group was riding the wave of the European auto market recovery and found themselves in a much more comfortable economic position.

Seeking help in their efforts, the CFDT asked several public figures for support. Since the CFDT has a strong presence in the area, contacting these figures was relatively painless. In the presence of representatives of the city of Rennes and of the region, CFDT officials restated their wish to remain constructive, but also their warning that "if on January 1st of 2017, the number of vehicles scheduled for production has not risen, unions will invite themselves to the presidential elections," reiterating a sentiment voiced by Arcelor Mittal's employees. The CFDT knew that the leadership would be unwilling to reiterate the media scandal that had followed the closing of their site in Aunais. Besides, the leadership was determined not to make extreme decisions. They set up a steering committee with the support of the region's president and of the prefect.

In November of 2014, PSA's CEO, Carlos Tavares, met Jean-Yves Le Drian, then president of the regional council of Brittany. Together, they acknowledged the necessity of regional support to preserve the company's activity and employment on the site of La Janais. The social partners agreed that the site was oversized -- especially after downsizing production -- and that structural costs heavily hindered the site's profitability. To remedy this problem, with the unions' consent, the region offered to buy back 520,000 square metres of unoccupied land. In this way, PSA received 13.3 million euros in liquid assets.

This procedure was made possible by the NOTRE law (New Territorial Organization for the Republic), recently passed by the socialist government, to accelerate processes of decentralization and to reinforce regions' ability and economic power. Nonetheless, in France, regional entities are not authorized to develop industrial land. The region therefore agreed to retrocede the land to the city of Rennes following the purchase.

In exchange, PSA promised to invest 100 million euros, 75 million of which would go towards modernizing the site, and 25 million of which would be used to bring back contracting jobs (dashboard and apron production) to Ille-et-Vilaine. Finally, to reassure public partners and ensure visibility for at least the next ten years, Tabarès announced his decision to develop, on the site, a new model that PSA had planned

to develop in China. This new vehicle could boost the site's production by as much as 60% (100,000 units a year). PSA's aim would therefore be to produce less but to remain profitable, thereby gaining in competitiveness. This happy ending had a cost, however. Unions signed a competitiveness clause that put an end to extra days off for some workers and instituted salary reductions until 2019. Furthermore, PSA introduced individual counter modules, an individualized system of time management that drastically increased work flexibility.

The PSA situation shows how preventive and truly coordinated actions between a company and its surrounding communities can be used not only to save jobs, but also initiate an economic revival at local level. When interviewed, the city's director of economic development explained how bought back land would be made profitable in a large-scale reindustrialization project dedicated to innovation. Companies selected to work in this new cluster have to tackle one of two issues: sustainable mobility or sustainable habitat. For now, two companies have begun work: the Atlantic High Speed Train (TGV) car recycling workshop, which employs 80 staff on loan from PSA, and B3 EcoDesign, a home design and construction company that aims to mass produce homes built from naval transport containers. B3 Ecodesign's partnership with PSA allowed them to industrialize their process and to grow fast enough to create 14 positions already, now held by PSA staff. This kind of initiative, which favours collaboration and employee mobility across companies, is one of the main goals underlying the project. A training program is provided for workers to help them to acquire new skills and this should facilitate these exchanges.

Though this industrial project is still being developed, it aspires to imagine the future of the sector globally. The project also aims to support a transition towards meeting ecological standards, one of the main challenges moving forward. A co-company partnership between the Brittany-based group Bolloré and PSA will ensure the manufacture of 3,500 electric cars on the La Janais site. If Bolloré funds the production, PSA has promised to commercialize it. In order to fund this research and development program, the city of Rennes and the region have invested an additional 2.34 and 9 million euros, respectively. According to the actors interviewed, PSA's efforts to conform to standards and objectives imposed by public actors have justified these public contributions.

Despite these major steps forward, and the social partners' evident desire to cooperate, social dialogue inside companies has not completely quietened down. Indeed, on several occasions, PSA has opted to sell employees' contracts to other companies. Employees were neither consulted nor even informed of the change. Unions resisted these practices by attempting to sue the leadership. The suit did not move forward on the grounds that, in France, employment contracts are individual, and that the employees could only sue in courts which handle individual employment disputes (the "prud'homme"). The departure of these employees did not go down well, which explains why, in the new competitiveness clause (New Movement for Growth, NEC), employee representatives obtained the right to be consulted before any staff exchange. Despite disagreements, the CFDT wishes to build a constructive relationship with the leadership. With that in mind, they signed a number of agreements concerning the quality of life at work.

According to Laurent Valy, PSA is a model because it showcases genuine cooperation between social partners and communities. Unions, by working closely and pre-emptively with public authorities -- to inform them, direct their decisions, and ensure they could not be deceived by PSA -- managed to make their worries heard at a time when the site was not even officially under threat of closure. The unions managed

to take advantage of all institutional mechanisms available today in France and in Europe to the employees' benefit.

TRANSFERABILITY OF THE CASE-STUDY

In the face of the 2008 recession, France, Germany, Italy, Spain and the United Kingdom allotted unprecedented amounts of public funding to auto manufacturers. Though it is difficult to come up with a precise figure -- since state aid can take on several different forms -- we estimate that public spending for this sector reached a peak of 1.2 billion euros in 2008. In order to coordinate these various national boosts, and to tackle the effects of the credit squeeze on the real economy, the European commission adopted the "Temporary Framework for State Aid Measures". This framework introduced new, simplified legal procedures for granting state aid. However, it also lacked clear rules and objectives. There was no formal control over individual state aid, which de facto led to a relaxation of regulations on state aid.

In France, the "auto agreement", signed in February of 2009 between the state and the auto sector, granted 6.25 billion euros in loans to French manufacturers and 900 million in loans to more than 2,000 small and middle-sized companies in the auto industry. On top of that, between 2009 and 2011, the state paid for 1,400,000 scrapping premiums (a measure that incentivizes drivers to buy a new vehicle in exchange for one that is more than ten years old), which has accounted for 1.2 billion euros in purchasing power and led to the purchase of 3.9 million vehicles.

The textbook case of PSA is thus not specific to France -- which is exactly why the question of transferability is not obviously relevant. While not all European countries acted according to the same model -- especially because they do not have access to the same institutional tools --, the acting principles have been relatively similar. They all sought to implement a "combination of measures from different areas of policy, going beyond the immediate effects of the restructuring event and aiming at regional redevelopment and sustainable development on a local scale" (European Foundation for the Improvement of Living and Working Conditions, 2014)

The PSA case nonetheless brings a slightly different contribution to this debate, in that some of the actors implicated in the struggle to save employment at the La Janais site actively worked to design the common acting principles for all of the EU. As early as 2008, when the effects of the economic crisis were beginning to be felt at PSA, the president of the region of Brittany, Jean Yves Le Drian, went with the permanent delegation of Brittany to the European Committee of the Regions in Brussels. The committee has no decisional power, but it can collect opinions, or "initiatives", that can end up shaping the EU's agenda. Le Drian called on presidents of European regions affected by the auto crisis to create an "intergroup" so as to make this shared issue a European priority. In 2010, this intergroup, composed of 61 regions from 12 EU countries, presented an initiative to the European Committee of the Regions. The intergroup recommended the creation of a European New Deal for the auto industry -- an entity with the ability to bring relief to victims of restructuring (in the short term), and to anticipate future needs for the sector in terms of training, but also internal and external transformations (in the long term).

Though it is difficult to measure the true impact of this initiative, its very existence shows that the mobilization of employees in a company at local level can have significant effects on sectoral policies of the

European Union. The question of transferability is not an abstract issue left to theorists and researchers. On the contrary, local actors, in their efforts to maintain employment, have taken it upon themselves to bring together and coordinate their institutional resources and means of action.

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2.2 Italy: case studies

ITALY: CASE N. 1 – Agnesi

Year: 2016/2017

Sector of activity: Food sector

Number of workers involved: 103

Local Area: Imperia, Liguria

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series

For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	63.6	63.0	62.0	60.6	60.7	62.4	62.7
Unemployment	5.4	6.4	8.1	9.9	10.9	9.2	9.8

Employment according to economic activity (NACE Rev. 2) 15-64 years – (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing	12,4	11,8	12,6	11,4	10,9	9,8	9,0
	% of total	2.0	1.9	2.1	1.9	1.9	1.6	1.5
B-E	Industry (except construction)	82,8	74,4	72,5	77,6	75,1	69,2	69,1
	% of total	13.3	12.1	12.1	13.2	12.9	11.6	11.7
F	Construction	47,0	48,1	41,6	38,3	42,6	47,2	49,6
	% of total	7.6	7.8	6.9	6.5	7.3	7.9	8.4
G-I	Wholesale and retail trade, transport, accommodation and food service activities	179,8	188,3	184,3	175,5	173,6	175,4	179,4
	% of total	29.0	30.7	30.7	29.9	29.7	29.5	30.3
J	Information and communication	15,8	10,9	15,6	15,2	13,0	13,4	18,2
	% of total	2.5	1.8	2.6	2.6	2.2	2.3	3.1
K	Financial and insurance activities	20,0	18,7	18,9	16,3	19,1	19,8	17,9
	% of total	3.2	3.0	3.1	2.8	3.3	3.3	3.0
L	Real estate activities	7,9	6,9	6,2	5,6	4,8	4,4	5,1
	% of total	1.3	1.1	1.0	0.9	0.8	0.7	0.9
M-N	Professional, scientific and technical activities; administrative and support service activities	69,4	68,6	58,1	59,0	61,3	64,5	62,9
	% of total	11.2	11.2	9.7	10.1	10.5	10.8	10.6
O-Q	Public administration, defence, education, human health and social work activities	137,8	137,6	135,4	133,9	127,1	132,4	127,3
	% of total	22.2	22.4	22.5	22.8	21.8	22.3	21.5
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	46,9	48,2	55,8	53,2	56,0	57,9	53,6
	% of total	7.6	7.8	9.3	9.1	9.6	9.7	9.1
NRP	No response	:	:	:	:	:	:	:
TOT.	Total - all NACE activities	619.9	613.5	601.0	585.8	583.5	594.1	592.0

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>	:	6.01	5.86	5.74	6.03	6.39	:
V97021 Proportion of enterprise births in the reference period (t) according to size class	:	:	:	:	:	:	:
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>	:	7.14	7.03	7.55	8.36	:	:
V97031 Proportion of enterprise deaths in the reference period (t) according to size class	:	:	:	:	:	:	:
V97015 Business churn: <i>birth rate + death rate</i>	:	13.15	12.89	13.29	14.39	:	:
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>	:	:	:	:	51.30	47.61	:
V97053 3-year old enterprises' share of the business population	:	3.91	4.52	3.39	3.30	3.00	:
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>	:	2.84	2.77	2.64	2.80	2.82	:
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>	:	119.19	118.43	115.03	114.26	110.41	:
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>	:	20.02	21.80	20.46	19.01	16.94	:
V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>	:	3.38	3.61	3.60	3.95	:	:
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>	:	119.32	128.76	119.31	116.37	:	:

The case study regards a retraining project for workers dismissed by a medium-sized company (Agnesi pasta factory) in Imperia, a coastal city in the North-East of Italy, in the Liguria Region, with approximately 42,000 inhabitants. Its economy is mostly based on tourism, the food industry, agriculture and trading activities. In an economic context characterized by small and micro enterprises, the closure of a company that provided direct employment for 103 people was particularly dramatic.

In 2016, in Liguria, the overall employment rate was 62.7%, 0.3% up on 2015 (and 2% up on 2014) but still 0.9% lower compared to 2008. After the sharp fall of 2012, the level of employment is therefore rising.

Breakdown of employment according to activity sector shows some changes since 2008: services account for almost 47.9% of total employment (relatively stable, -1.46%), followed by public administration at 21.5% (-3.15%), industry at 11.7% (-12.03%), agriculture at 1.5% (-0.5%). The largest increases were in information and communication (up 24%) and in construction (up 10.5%).

The unemployment rate increased from 5.4% to 9.8%, although it fell from 10.9% to 9.2% between 2014 and 2015.

Regarding Imperia, looking at birth rate, the number of newly born enterprises as a proportion of the total number of active enterprises increased by 6.4% between 2011 and 2014. But in the same period, there were more enterprise deaths than births since the total number of enterprise deaths increased by 31%. In 2015, almost 47.6% of the enterprises born in 2012 had survived, even if their size and the number of persons employed had decreased through the years.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3
Gender (i.e. male or female)	Male	Male	Male
Role	Regional Secretary Fai-Cisl	Counsellor	Trainer
Role of the respondent in the case	Local secretary of trade union	Employment agency – partner of the project	Vocational training agency – partner of the project

The project “Riqualfichiamo il lavoro” (“Retraining for work”) was developed in response to the crisis that took place in the Agnesi pasta factory, which led to the decision to close permanently the production unit in Imperia.

The Agnesi pasta factory was founded in Pontedassio (near Imperia) in 1824 when Paolo Battista Agnesi bought a mill (in order to grind wheat daily) and set up the “Ditta Paolo Agnesi e Figli” with his sons. In the 1920’s, the enterprise was at its top. In the 1970’s, after the death of Vincenzo Agnesi (grandson of Paolo Battista), internal divisions within the family and an economic crisis began a period of financial difficulty. In 1995, Agnesi was acquired by the Danone Group, which, in 1997, gave it to Paribas and, in 1999, it became a member of the Colussi Group (a private Italian food company which employs more than 1,000 people in Italy).

In 2014, the decision was taken to close the plant located in Imperia with the consequential loss of 103 jobs. In the meantime, the production had been reduced from the 90,000 tons of pasta of the 1990s to 36,000 and the mill had been closed down in February 2014.

The trade unions reacted to the company’s decision by organizing some protest actions which included, in 2014, a demonstration involving the major and others local political authorities; a call for citizens to buy Agnesi products; union stakes involving also union national representatives; and a ten-day strike in 2015 that preceded the subscription of an agreement on social shock absorbers.

In 2015, the national and local authorities also planned some meetings, chaired by the Italian Ministry of Economic Development, with the company and the trade unions in order to find alternative solutions to the company closure.

The negotiations between social partners failed and the company announced that the collective dismissals would start between December 2016 and March 2017. The official motivation was the “impossibility to adapt and develop the manufacturing site to the necessary requirements of the international and national market” (company’s official press release, December 2016). The production was relocated to the production unit in Fossano (near Cuneo), where investments of almost 10 million euros were made for modern production technologies and new lines for pasta production.

In January 2015, a “solidarity contract” was set up for all workers, for a period of 10 months, and after that the use of a special wage guarantee fund (the so-called “CIG straordinaria”). Collective redundancies had finally started in December 2016.

Since it proved impossible to come to an agreement, the social partners’ prime concern became that of helping workers find a new job. The Agnesi pasta factory were not a big company, but still a major economic player in an area of small and micro-enterprises mostly involved in the agricultural and tourism sector. The social impact of its closure was dramatic.

In the meantime, in the overall context of economic crisis and rising unemployment at regional level, the Liguria Region decided to provide resources for the re-training of workers afflicted by mass redundancies. It was at that point that Cescot Confersercenti, a no-profit organization promoted by an entrepreneurial association who collected small and medium enterprises from Trade, Tourism and Services sectors, requested advice from local unions in order to participate in the call for tenders. Fai-Cisl, the union who represents the workers from the food sector realized that it was the occasion to provide a response to the critical situation of Agnesi workers and decided to sponsor the project by negotiating with the company and the workers.

Since Fai-Cisl, at local level, was the union with the highest percentage of members in the Imperia production unit, it invited the company to permit the implementation of a project for the retraining of its workers besides negotiations on social shock absorbers. The only thing the union asked for was a letter of commitment in which the company expressed its support for the project and gave its employees the opportunity to participate in the planned activities outside working hours.

After the consent had been obtained, a network of partners was constituted, including Cescot Confesercenti (the leading partner), Conform Srl, an employment agency, and some local vocational training agencies such as Parasio Srl, Centro Giulio Pastore, Scuola Edile Imperia, Aesseffe Scpa, Cnos. They won the tender and involved Fai-Cisl again.

Fai-Cisl committed itself to an information campaign among workers (who at that time were still working for Agnesi) in order to invite them to participate in the project, which was open to everyone on a voluntary basis. To do that, it was really important to involve union representatives at plant level (the workforce was unionized and were able to count on 4 RSU – union representatives at plant level: 3 from Fai-Cisl and 1 from Flai-Cgil) which during formal union assemblies but also in everyday work life informed their colleagues of the importance of investing in themselves and collected adhesions. Indeed, the social partners’ choice of focusing on active labour policies was due to the fact that the majority of workers had been working for Agnesi since they entered the labour market and were not able to imagine themselves in other roles. The greatest difficulty at this early stage was that of convincing them that there were also other career options. The project started officially in May 2016 and lasted 12 months. It was financed by the Liguria Region through Por 2014/2020, thanks to the co-funding of the European Social Fund.

It was organized in 5 steps.

1. Guidance and orientation activities. 68 workers out of 123 who were entitled (103 employed by Agnesi and 20 employed by a cooperative subcontractor of logistics services) decided to join and participate in a first meeting (lasting 4 hours) where partners explained how the labour market works,

and how to approach it efficiently and effectively – for example via newspaper advertisements or the web –, how to prepare a CV or a letter of application.

2. Competence assessment. 55 workers decided to continue to the next step (lasting six months) that provided an assessment of formal, non formal and informal competences performed by a Conform Srl – FECBOP (Fédération européenne des centres de bilan et d'orientation professionnelle) member. During this phase, the workers were helped to identify and optimize their personal and professional skills and competences, their aptitudes and potentials, their interests and motivations. The ultimate goals were to define a strategy of individual professional development; to construct an individual training pathway; and, above all, to help workers to better understand their own personal skills and abilities.
3. Training. 31 workers decided to join the training phase. Vocational training included two types of programmes: logistics and tourism. The first consisted in a 100-hour course to become warehousemen (including operating equipment and safety at work, processing orders, team leadership and managing the receipt and dispatch of goods) and the second in a 200-hour programme about how to manage a tourist company (including the English language, web marketing and catering classes). The two programmes were implemented according to workers' choices, even though the excessive dispersal of workers made it necessary to concentrate the programmes only on two main areas.
4. Placement. The placement phase included the process of matching candidates with business customers and selecting suitable candidates for job vacancies, including preparing the workers for job interviews.
5. Tutorship. Even when the project was officially ended, Conform Srl offered a tutorship service for those who found a job in order to verify if everything was going well and if worker's expectations had been fulfilled.

The main objective of the project was to promote employment and social inclusion for the workers affected by the Agnesi crisis in order to mitigate the effect of redundancies. This was achieved by improving participants' qualifications and skills and giving them practical help in order to open new job opportunities (by helping them to obtain new skills and regain their motivation) and also supporting job creation. The majority of workers involved had few or no qualifications, so the project offered them training as well as guidance in order to recognize the skills they needed (and which sometimes they already had) to return to work.

The project also worked on the ability to adapt to change in order to help the workers to embrace the flexibility necessary to respond to the evolving local job market needs and redirect those threatened towards industries where skills were in demand (i.e. logistics and tourism).

As a stakeholder said: *"Orientation and assessment phases were really important. The majority of workers had never attended any vocational training courses while employed and that made things difficult. We cannot change the local job market but we can intervene on workers' attitudes since the sooner they understand the social environment, the better they can achieve their goals. That is a challenge if a company never facilitates the career development of its employees. In a modern society, it is not possible to remain entrenched while around you everything is moving really fast" (R2). And also: "Companies complained about*

the lack of financial resources, but it is not totally true. There should be the clear-mindedness and the courage to invest in people. That is the difference between the Italian market and those of other European countries: investments cannot be just in technology or at least it should be clear that investing in technology necessarily means investing in people. However, it is important to act on workers too, since often they do not understand the importance of lifelong learning and flexibility. Companies have a great responsibility since lifelong learning needs to be made part of a continual process that has to involve company culture” (R3).

The project has basically drawn on a system of active labour market policies, on a local level, by looking at EU recommendations on worker activation principles. On the one hand, we had training schemes, assistance for jobseekers in finding a job, match of demand and supply of work and, on the other, the attempt to individualize measures in order to qualify and motivate the individuals to make their job search more effective. *“We support them, but we cannot replace them. What has to be clear is that the individuals must be responsible for their research. We can give them the right tools, but they must activate themselves” (R2).*

At the end of the project (on May 2017), out of 31 participants who have been through all its steps, 18 had found a job in another company, 2 had started their own activity in the tourist sector and 11 were still attending interviews for a job.

Stakeholders are satisfied about how the project has been handled and, above all, about its results in terms of job creation. *“First of all, even if just one worker had found a job, it is a success for us all. But the fact of the matter is that we believe in this approach. This kind of initiative should be regarded as a concrete crisis-response measure. The focus has to be changed from reacting to company closure and job losses towards longer-term planning and the anticipation of change. Regional and local authorities, trade unions, employment services and companies of all sizes have to get involved in implementing active employment measures. I think these are mechanisms which must be put in place over a company’s lifetime. If companies do not, I think it is right that unions and civil society should step in” (R1).* What emerges is that in a modern labour market, workers’ employability has to be safeguarded as well as jobs and since business decisions to close or transfer production activities elsewhere are difficult to contest, it is important to adopt a proactive approach. Since it is not a union’s proper role, the project demonstrates that networking actions, where every partner has its specific competences, can sometimes help correct the mistakes of companies with a short-term vision or where the State is not or does not get involved.

From the union point of view, this is certainly an innovative course of action. The union can prove to people who accuse it of protecting only acquired rights that it is capable of providing solutions in emergencies and crises that goes beyond social support payment negotiations.

“The main problem was to help workers understand the meaning of it all. Over the course of the project, they continued working in the factory and some of them, until the end, thought the crisis could be solved. That’s why not everyone had been ready to face the placement phase. Consider that there were people who had worked for Agnesi since they were sixteen years old. They had never experienced others realities” (R1). That is why the orientation and the assessment phase were fundamental: *“We had to work hard on motivation. Workers had lost their confidence in the state, in representative organizations, in the whole system. They thought the only way to search for a job was through informal networks and above all*

they thought they were destined to do just one kind of job. Competence assessment seems kind of intangible, but the assumption is that all learning, all kinds of skills, have value and most of them deserves to be made visible and recognized. During that time then, workers had the chance to understand what was going on and prepare themselves for a big change” (R3). Finding solutions for a company closure is not easy. Even if trade union negotiations are important in order to ensure continuity of income to workers, there comes a time when workers have to be actively involved in the whole process. Irrespective of the instruments used, what social partners could do is to bring about a change in attitude. However, in order to be the real engines of change, they must be trusted by workers, and for that to happen they need to test new solutions to tackle old problems.

Even if there have been some challenges to deal with, the lesson learnt could be used for future proposals. “One thing we realized at the end was that maybe training courses should have been organized in a more customized fashion. After the assessment participants expressed different choices and preferences with regard to training courses they would have liked to attend, and in order to achieve a critical mass, we had to bring them together. We also realize the importance of supporting self-employment. Two participants decided to start their own business, but they already had the background: we supported them in obtaining their certification requirements. In the future, it will become increasingly relevant to help entrepreneurs and the self-employed in many ways, including training in basic management and promotion of mentorship and of networks of entrepreneurs to exchange experiences and offer support. I think this is important also in order to stimulate a debate regarding the informal economy and undeclared labour” (R3).

TRANSFERABILITY OF THE CASE-STUDY

In the opinion of the respondents, the project could be easily transferred to other territories.

It fulfilled European recommendations concerning the implementation of active labour policies, investing in vocational training and reactivate workers. The project also cast light on the importance of formal, informal and non formal competences and their recognition for adults outside the initial education and training system. Since competences develop and change throughout the lifespan as a result of transformations in technology and in social and economic structures, the demands on individuals can be expected to change throughout their adult lives and this is above all a cultural thing that workers have to understand and accept.

From this point of view, the project can be considered not to be innovative enough, but a close look reveals that its success was due to the presence of certain variables.

First of all, partner networks represent an established entity at local level since they have already co-operated in other occasions, i.e. they usually compete in tendering procedures for job services for the public administration; four years ago, they worked together on an anti-crisis plan which involved competence assessment and placement for workers on a temporary lay-off; and so on.

Practically they have a “modus operandi” that can be standardized on different territories, but at the same time, it can be customized according to the specific needs and requirements of each situation. In this case, for instance, what has been interesting was the union presence. It was the leading partner (Cescot Confesercenti) which requested the cooperation of Fai-Cisl to look for a company matching the call for

tenders of the Liguria Region and then it was Fai-Cisl that negotiated with the company and provided the necessary information to all workers.

Another distinctive feature regarded the contents of the training, which were not chosen at the design stage (as usually happens) but rather it was decided to wait to the end of the assessment phase (even though there were some challenges, as we have already seen).

Another important feature was that the project was implemented in a small territory. That meant there was a deep knowledge of the local production base and the implications of this were relevant when it came to the placement phase. A social capital composed of training agencies, job services, unions, private companies is not easily exportable. All of this demonstrates the important contribution to social inclusion that a decentralized, coordinated and partnership-based system can give instead of it being centralized and state-controlled.

In conclusion, the variables we identified as fundamental for the transferability of this case-study are: a small/medium territory; a social capital guaranteed by the presence of an established network of partners; the presence of an established “modus operandi” with a clear definition of responsibilities between the different partners; the enhancement of unions’ local knowledge and of their ability to gain workers’ trust; attention to aspects related to the process of cultural change among workers, i.e. there should be also a sort of coaching activity in order to realign their expectations.

ITALY: CASE N. 2 – Upper Mantuan Industrial District

Year: 2015/2016

Sector of activity: Textile-Hosiery

Number of workers involved:

Local area: Mantua (Lombardy)

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series

For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	66.9	64.6	64.5	64.8	64.9	65.1	66.2
Unemployment	3.7	5.7	7.4	8.0	8.2	7.9	7.4

Employment according to economic activity (NACE Rev. 2) 15-64 years – (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing	70.3	50.1	51.4	56.7	64.2	71.5	59.6
	% of total	1.7	1.2	1.3	1.4	1.5	1.7	1.4
B-E	Industry (except construction)	1,149.5	1,097.3	1,101.2	1,092.8	1,097.8	1,098.8	1,117.5
	% of total	27.4	26.7	26.8	26.4	26.4	26.3	26.4
F	Construction	333.7	312.1	307.6	279.9	257.5	256.2	255.3
	% of total	7.9	7.6	7.5	6.8	6.2	6.1	6.0
G-I	Wholesale and retail trade, transport, accommodation and food service activities	936.9	903.0	946.2	961.7	932.3	917.9	965.2
	% of total	22.3	22.0	23.0	23.2	22.5	22.0	22.8
J	Information and communication	143.5	138.6	149.1	154.0	151.8	150.0	138.9
	% of total	3.4	3.4	3.6	3.7	3.7	3.6	3.3
K	Financial and insurance activities	156.4	166.5	157.1	161.0	159.1	173.9	170.7
	% of total	3.7	4.1	3.8	3.9	3.8	4.2	4.0
L	Real estate activities	31.2	45.5	43.7	44.0	30.9	27.8	32.8
	% of total	0.7	1.1	1.1	1.1	0.7	0.7	0.8
M-N	Professional, scientific and technical activities; administrative and support service activities	471.4	454.1	414.9	432.4	468.4	496.7	503.3
	% of total	11.2	11.1	10.1	10.4	11.3	11.9	11.9
O-Q	Public administration, defence, education, human health and social work activities	660.5	667.5	647.5	650.6	676.4	676.9	706.4
	% of total	15.7	16.3	15.8	15.7	16.3	16.2	16.7
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	242.7	266.5	289.0	304.9	314.1	299.4	282.8
	% of total	5.8	6.5	7.0	7.4	7.6	7.2	6.7
NRP	No response	:	:	:	:	:	:	:
TOT.	Total - all NACE activities	4,196.0	4,101.2	4,107.8	4,138.0	4,152.4	4,169.0	4,232.5

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>	:	5.47	5.85	5.58	5.89	5.54	:
V97021 Proportion of enterprise births in the reference period (t) according to size class	:	:	:	:	:	:	:
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>	:	5.89	5.59	6.49	7.14	:	:
V97031 Proportion of enterprise deaths in the reference period (t) according to size class	:	:	:	:	:	:	:
V97015 Business churn: <i>birth rate + death rate</i>	:	11.36	11.43	12.07	13.03	:	:
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>	:	:	:	57.42	54.76	:	:
V97053 3-year old enterprises' share of the business population	:	3.68	3.49	3.24	3.06	3.32	:
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>	:	1.88	1.93	1.72	1.82	1.70	:
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>	:	138.96	128.53	120.43	119.45	120.20	:
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>	:	35.20	26.80	26.30	27.78	:	:
V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>	:	1.82	1.89	2.02	2.34	:	:
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>	:	124.72	131.83	121.51	126.51	:	:

The case study involved an entire area centred in the Province of Mantua, a city in Northern Italy, in the Lombardy Region.

Mantua's economy is primarily concerned with the processing and shipping of agricultural products, but it is also the centre of a hosiery industrial district that in the past were considered the second in the world. One of main goals of the case we are going to analyze was precisely to re-launch the economy of the old industrial district.

In 2016, in Lombardy, the overall employment rate was 66.2%, up 1.7% compared to 2015 but still 1.05% lower compared to 2008. After a sharp fall in 2011, the level of employment therefore rose constantly. The unemployment rate (7.4%) fell, but still remained considerably above pre-crisis levels (3.7%).

Breakdown of employment according to activity shows that services account for almost 42.7% of total employment (an increase compared to 2008, when it was 41.5%); followed by industry at 26.4% (-3.65%), and public administration at 16.7% (+ 6.4%).

Looking at the area of Mantua, the number of newly born enterprises as a proportion of the total number of active enterprises increased by 7.7% between 2011 and 2014, but there were more enterprise deaths than births since the total number of enterprise deaths increased by 21.2%. The share of newly born enterprises in total employment of active enterprises decreased by 9.6%.

Looking at the enterprises' three-year survival rate, it appears that about 55% of the enterprises born in 2011 had survived in 2014.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4
Gender (i.e. male or female)	Female	Male	Male	Female
Role	Trade unionist	Trade unionist	Mayor of Castelgoffredo	Cooperative "Italia Futura" chair
Role of the respondent in the case	Local secretary of trade union	Local secretary of trade union	Bigger municipality in the District	New cooperative created through the project

The project was developed in order to revive the Upper Mantuan hosiery industrial district, the economic engine of a vast territory which covers the province of Mantua and part of the province of Brescia and of lake Garda. The industrial district until a few years ago was considered the biggest in Europe (and the second in the world) with 400 companies and almost 18,000 workers. According to union data, it now employs approximately 8,000 workers and the number of companies has decreased by 10%.

The biggest municipality of the district is Castel Goffredo, which, in the 1920s, was the location of the NO.E.MI. stocking factory, the first company to use modern technology for stocking production. At that time the company had grown to be one of the European leaders in its field but the lack of investment in new technology and in its human resources led to a big crisis till the company's closure at the end of the 1950s. The locally available know how led to the emergence of an industrial organization characterized by the geographic concentration of new small firms and large enterprises, differently but highly specialized in several phases of the stocking production through cooperative and competitive relations. We can say that the historic and social conditions which led to the creation of the stocking industrial district included: high level of expertise; rapid exchange of information, which has stimulated innovation and investments in goods and services; creation of an enterprise culture; availability of financial capital; development and proximity of technologies for production.

These competitive advantages started to fade following entry into the euro area, when an increasing number of companies began to relocate some production cycles. At first, the "labour intensive" ones, taking advantage of the lower labour costs in other countries, mainly in Eastern Europe, and then also the "energy intensive" ones, in the areas where the cost of electricity is almost half of that in Italy. The combination of these two effects led to dramatic consequences. Some of the major players (like Golden Lady, Calzedonia, Pompea, etc.) moved their production units abroad with unavoidable negative impacts on employment levels.

A further effect of this process was the opening in the area of many small Chinese laboratories, where working conditions are often legally questionable. Some companies, unable to relocate their plants, used

these laboratories in order to cut production costs. This has contributed to the loss of regular jobs often replaced by clandestine and illegal forms of employment.

According to data provided by the local union, in last decade, the workforce has fallen from 18,000 to 8,000 units (reduction that has affected mostly female labour); the number of companies has fallen by 10% (mostly replaced by Chinese ones, estimated to be 150); the use of social shock absorbers has exponentially increased.

In order to revitalize the district, the mayor of Castel Goffredo, the municipality most affected by the crisis, in 2015 decided to set up a forum with all stakeholders so that all the instances could be collected, and potential proposal be put together and submitted to Regional authorities.

Femca-Cisl, the union that represents workers from the Electricity, Chemical and Fashion industries, at local level joined the initiative from the beginning and sponsored a meeting at the headquarters of the Lombardy Region in order to ask the local authorities which instruments the politic system could provide to deal with a crisis of that scale. On that occasion the decision was taken to set up an institutional forum and organize a conference to launch a project that could be innovative and involve the greatest possible number of stakeholders on the territory.

The conference was organized in the council chamber of Castel Goffredo municipality and was open to all members of the community. On that occasion, Femca-Cisl and the mayor of Castel Goffredo proposed the setting up of a table which could bring together all the relevant actors and work on a proposal to submit to the Lombardy Region and to the Italian Ministry of Economic Development.

The meeting was attended by the local chamber of commerce, the mayor of Castel Goffredo (on behalf of the other majors of the district), the Province of Mantua, some representatives from the local business world, some local politicians, Femca-Cisl and this time also Filctem-Cgil. The mayor's proposal was to promote the setting up of cooperatives managed by unemployed workers. The idea gave rise to some doubts (in the business community or Filctem-Cgil since it represented new and uncharted territory and it was impossible to predict an outcome), but was accepted by Femca-Cisl, who decided to give all its support, and started to verify the use of social shock absorbers and the willingness of some companies to make their production sites available as a base for future cooperatives. At the same time, employers' associations carried out a study which revealed that the closure of illegal laboratories would have made it possible to create almost 1,200 jobs (the estimated amount of illegal workers employed in such places), while local politicians started a dialogue with the Ministry of Economic Development.

In June 2015, the mayor, the assessor for productive activities of the Province of Mantua, a representative of the local business community and of the two unions (Femca-Cisl and Filctem-Cgil) met the Minister who asked them to develop a business plan. In January 2016, a second meeting was held and the Minister demonstrated his willingness to help on condition that local businessmen would do the same.

In February 2016, the project, during a convention held in the council chamber of the Castel Goffredo municipality, was proposed to the local population. Almost 30 companies expressed their interest and the municipality opened an e-mail address to collect worker availabilities.

Femca-Cisl promptly made a commitment to the project. At first, they tried to find an existing cooperative willing to hire unemployed workers; then since there was a company that was about to close,

they organized some union assemblies with the workers who were going to be dismissed in order to collect their adhesions, but in the end they decided to support the creation of a new cooperative.

In November 2016, the cooperative “La Nuova Futura Società Cooperativa” was founded. At first it counted 7 members; at present they are 8 partners and 2 fixed-term workers. They are all women, specialized in the sewing processes for tights and can have some important clients, such as Calzedonia (Italian leader for the production of hosiery and beachwear). The cooperative site is that of a bankrupt company, with whom rent was agreed for the use of the site and of the machinery.

In the meantime, the Lombardy Region decided to get involved into the project, and after some institutional meetings in order to look into some aspects of the business plan, it is currently evaluating whether any additional measures could be taken, such as dedicated funds. The cooperative is part of a first-year test in order to verify if the project may be sustainable, but it is in the intention of the project sponsors to be just the first of many others. The idea is to recreate the industrial district as it was in its “golden age” preventing the unfair competition of Chinese laboratories, and to do so, it is necessary to find resources and to involve institutions.

The main objective of the project is to re-launch the industrial district by providing the bases for jobs and businesses through the creation of cooperatives. The idea is to boost employment, especially jobs for women, by fostering self-employment and entrepreneurship, targeting those individuals at higher risk of social exclusion (like the long-term unemployed).

The socio-economic tradition of this peculiar territory could enable the creation of a network between the start-up businesses and the established ones, since one of the main features of an industrial district is precisely to be above all a social organism and not just an economic one.

What is innovative in the project regards probably the second objective that it pursues, i.e. the fight against illegality. The creation of cooperatives as well as creating “just” jobs, should contribute to create “fair” jobs, that can provide an alternative to lawlessness and worker exploitation. In the stakeholders view, the final step should be to create a real PDO symbol that can guarantee the quality of the products but above all the development of legal local production. In order to do that, it is essential that the rule of law and the human rights of individual workers are respected, and so it is necessary to sensitize big companies to pay attention to the conditions of their suppliers. *“Companies get used to cheap labour, which sometimes could be called ‘slavery’. However, very few demonstrate sensitivity to this problem. Economy sometimes obeys the law of physics: if you pour a liquid on a flat surface, it goes where it does not find resistance. At the same way, productions go where costs are lower. But I think companies that do not respect the law, in the short time will make profits, but in the long term are doomed to fail. We need the cooperation of those who must control. We have created a task force with the entrusted entities and now controls have been intensified: there is at least one a week. If tomorrow all illegal laboratories are closed, who will companies be forced to address?” (R3). “At the moment, when there are irregularities, goods are seized but you just pay a fine. If goods were seized for six months, or destroyed, or auctioned off, maybe our work would be more effective. In the future, we intend to urge parliamentary interventions” (R1).*

These kind of interventions make it possible for unions to experiment new form or actions in terms of employability of workers. Encouraging entrepreneurial spirit can be a way to reactivate workers following

their “capabilities” and their past experiences [*“People say we have to protect employment. And how is that possible if we do not help create new ones?”* (R2)].

But there is more to this project than this: female employment, fight against illegality, the re-launch of a territory, and also the challenge of creating an ethical chain [*“This project, according to data estimates by the business world, could create 1,000/1,500 jobs in the district: dismantling illegal laboratories could regenerate an entire land”* (R2)].

Setting up a cooperative from the beginning was not easy. *“The headquarters is a former company who had dismissed 22 workers. Since we were following the crisis, we tried to convince those workers to launch a cooperative, and that would have been a typical case of Workers’ Buy Out (WBO). But we could not. The cultural leap from being an employee to becoming an entrepreneur is complex. After many union assemblies, we decided not to insist anymore, since it could seem we were trying to sell something. This is not a typical case of WBO. The workers did not know each other before becoming involved in the project and this was a problem. We tried to help but they had to find their internal balances independently. It was a tortuous path, but it seems to be working”* (R3).

Practically, at the beginning, the union looked for potential associates between unemployed workers who addressed its offices and by monitoring company crises in the area. Once the partners had been found, it helped to look for a production site and, when the bankrupt company had been identified, it maintained relations with the former owners in order to reach an economic agreement [*“According to the drafts approved by the Ministry, cooperatives were to be founded in disused companies, for a nominal change. But this did not happen and we are still looking for resources”* (R3)]. After that, it helped with the bureaucracy (together with Confcooperative, the Italian National Cooperative Confederation which offers representation, assistance and protection in the cooperative sector); and now it is working on finding potential clients, mainly by increasing awareness in the local business world.

Also from the workers’ point of view, things have not been easy. *“I heard about the project and immediately contacted the union. I have confidence in it. I got an advance on what was left of my unemployment benefit and put them in the cooperative. Putting yourself out there is not easy. The majority of people in this area worked in the hosiery industry and they had been dismissed because of the crisis. Going back there was scary. They lost their confidence in the whole sector. I worked in this industry for 24 years, for a big company, and I would never have thought of being unemployed. When I heard about this project I decided to try. For me thinking about looking for temporary jobs and changing them every 3 or 6 months was even scarier. I realized that when you are used to doing your work with a schedule, coming back home and feeling free, it is difficult to change your attitude. Here things have to be organized and everyone has got something they are in charge of. But even if I am worried about the future, I have decided to do something, to give myself another chance”* (R4).

As the stakeholders said, the irony is that the cooperatives have orders and sometimes have to refuse some of them because for now it is not possible to hire more people and at the same time, people are still scared about becoming partners. *“We have big clients also because we are specialized in some further processing where the human work cannot be totally replaced by machines. The issue is that is not easy to find capable seamstresses, since to become efficient, it will take at least a year of practice”* (R4).

Moreover, the project has become a reference point at regional level since the cooperative partners had been chosen for the retraining of some unemployed workers from the neighbouring territories. Another company of the district closed and fired 55 workers. A network composed of local authorities, unions, vocational training centres and employment agencies decided to join a call of tenders and asked “La Nuova Futura” to activate some traineeships. But not only that. All craft industry is interested in this approach. *“This adventure started a year ago, and nobody would have bet on it apart from us. Neither in the cooperative, nor in a strategic and organized fight against illegality. The next year will be fundamental: or it gets off the ground or we close. If things go well, that could encourage a new awareness among authorities and, above all, companies. When we started, there was some kind of mistrust but the message we want to pass on is that it is just the beginning. Employer associations from the craft sector asked us for more information. We have thrown a rock in the pond and now we are starting to see the first ripples”* (R2).

TRANSFERABILITY OF THE CASE-STUDY

As we have seen, the project has already become a reference point in the area. Nevertheless, some recommendations have to be made.

First of all, the reality of an industrial district is not transferable by definition. A simple “agglomeration of firms” is not a sufficient condition to guarantee sustainable beneficial effects. Instead, it requires a complex mechanism that involves a broad set of local public and private agents. Sustainable competitive strengths and collective advantages in an industrial district are possible when local social-cultural and institutional relations exceed the possibility of control by a few powerful economic agents, and ensure an aggregate stability and a sense of identity. These are unique conditions. The Upper Mantuan history is based on a tradition that had been destroyed by globalization and that the actors involved are trying to revive.

The idea of setting up new cooperatives is risky. It required a business idea, a governance plan and above all financial resources. As our stakeholders have said, it is not easy for a worker to consider himself as an entrepreneur, and even if there are many successful cases of WBO, this is not the case. Employees have not invested their capital becoming the new owners of the firm they were working for, but some unemployed worker who do not know each other decide to launch a start-up, with all the difficulties involved.

At the same time, some stakeholders in the area are looking at this experience and asking for more information as if they are waiting to understand if it could be a winning idea.

Undoubtedly there are some variables that made the project really interesting and transferable (a network made up of institutional stakeholders and civil society; union involvement considering its local knowledge and its ability to gain workers’ trust; the reactivation of unemployed workers) but only in areas where it is possible to find the same elements that characterized the Upper Mantuan territory, i.e. the tradition of an industrial district.

ITALY: CASE N. 3 – Ferroli

Year: 2016-2018

Sector of activity: Metalworker, boilers and household appliances

Number of workers involved: 80

Local area: *San Bonifacio (Verona)*

The Workers' Buy Out (WBO) is the mechanism whereby the workers of a company, for different reasons, but mostly when faced with an irreversible corporate crisis, form a cooperative by acquiring the pre-existing company. In this way, they keep their jobs, become entrepreneurs and manage the business directly.

The Ferroli case developed due to the crisis of the company, Ferroli Spa, a historic Italian company based in the Veneto Region and specialized in the field of boilers and home appliances, with plants also abroad.

The company was sold to an investment fund and the cuts were expected to include the closure of the foundry and assembly department of the most important plant in San Bonifacio (Verona).

The serious situation for the workers of the foundry and the assembly department of Ferroli worsened to the point that there appeared to be no way out. In fact, in July 2016, the new business plan of Ferroli spa was presented, which foresaw the closure. Within a few months, the idea of the cooperative was considered by trade unions and workers, and negotiations with Ferroli started in order to reach an agreement on the company lease contract with the right of pre-emption to purchase (in September). A feasibility study and the elaboration of a strategic plan for the reconversion into a cooperative was realized with the support of trade unions, cooperative associations and local institutions..

On July 25, 2017, 62 workers signed the memorandum of the new cooperative (inspired by the founder of the company, Dante Ferroli), and in September, production was restarted.

The Ferroli company granted the new cooperative rental facilities for six years at a symbolic price.

In this case study, the use of a workers' buyout to safeguard an important productive plant is very interesting. This involved workers, trade unions, local authorities and the coordination of cooperatives with the direct role of workers and the action of the union at company level.

The Ferroli experience is very interesting due to the direct involvement of the unions and the association that coordinates cooperatives in saving the company.

The important point is how they managed to negotiate with a foreign investment fund, not only safeguarding the history and the heart of the production plant, but also involving the workers in a new challenge, in which they not only saved their production site and their work place, but they have also created a new company that will work in synergy with the original group.

Finally, it is important to reflect on the change in role of trade unions and workers in the new cooperative which has different characteristics from a traditional company, even with regard to industrial relations.

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4
Gender (i.e. male or female)	Male	Male	Male	Female
Role	Trade Unionist	Officer of Cooperative Association (Lega Coop)	Worker	Member of San Bonifacio Municipality
Role of the respondent in the case	Territorial leader of the main company trade union	Responsible for the sustain policies of employers association (cooperatives)	Head of the new cooperative "Dante"	Responsible for the "institutional support" of the municipality

TRANSFERABILITY OF THE CASE-STUDY

A complex and positive intervention by different actors made possible this case. In fact, the active involvement of workers, trade unions, employers' association of cooperatives, local institutions and the investment fund (owner of the main company) was the key aspect for a positive solution.

Having said that, the Ferroli case is certainly transferable, in particular for the use of a legislative provision ("*Marcora Law*") which supports the WBO in Italy and which can be used in other contexts as well as, hopefully, spread to other European countries.

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2.3 Poland: case study

POLAND: CASE N. 1 – MAN

Year: 2016

Name of the company: MAN

Sector of activity: automotive industry

Number of workers involved: 1,000

Local area: Tarnowo Podgórze – Wielkopolska

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series

For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	60.2	60.2	60.5	60.4	61.0	62.2	63.6
Unemployment	6.1	8.6	8.5	8.8	7.7	5.8	4.8

Employment by economic activity (NACE Rev. 2) 15-64 years – (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing			13.2	10.9	8.6	8.6	10.1
	% of total			1.1	0.9	0.7	0.8	0.7
B-E	Industry (except construction)			353.7	370.6	358.5	350.5	432.0
	% of total			29.8	31.2	31.1	31	32
F	Construction			115.0	110.6	106.3	98.9	113.0
	% of total			9.7	9.3	9.2	8.8	8.3
G-I	Wholesale and retail trade, transport, accommodation and food service activities			319.8	304.2	291.9	286.1	363.6
	% of total			27	25.6	25.3	25.4	27
J	Information and communication			17.6	18.7	17.5	18.7	23.8
	% of total			1.5	1.6	1.5	1.6	1.7
K	Financial and insurance activities			24.6	24.8	25.4	26.5	31.4
	% of total			2.1	2.1	2.2	2.3	2.3
L	Real estate activities			11.1	12.7	11.1	9.7	13.1
	% of total			0.9	1.1	1	0.9	1
M-N	Professional, scientific and technical activities; administrative and support service activities			68.4	67.3	75.7	73.8	82.6
	% of total			5.8	5.7	6.6	6.5	6.1
O-Q	Public administration, defence, education, human health and social work activities			228.7	232.5	221.9	222.9	249.0
	% of total			19.3	19.6	19.2	19.8	18.3
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies			33.3	33.3	36.2	32.2	38.0
	% of total			2.8	2.8	3.1	2.8	2.8
NRP	No response							
TOT.	Total - all NACE activities							

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>		12.0	11.2	11.9	12.4	11.5	
V97021 Proportion of enterprise births in the reference period (t) according to size class							
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>		10.3	10.2	10.6			
V97031 Proportion of enterprise deaths in the reference period (t) according to size class							
V97015 Business churn: <i>birth rate + death rate</i>		22.3	21.4	22.5			
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>							
V97053 3-year old enterprises' share of the business population							
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>							
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>							
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>							
V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>							
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>							

Source: - Central Statistical Office, Warsaw 2017, pp.60-61, *Selected entrepreneurship indicators in 2011 – 2015*

The Tarnowo Podgórne is currently one of the most developed municipalities of the Wielkopolska Region and together with ten other municipalities is part of the Poznań Metropolitan Area.

Currently, almost 5,000 enterprises operate in the Tarnowo Podgórne municipality. Over 600 belong to the industrial sector, and the vast majority of them are service and commercial companies. Out of the population of 10,000, almost 1,400 people run a business.

Over 250 companies, operating in Tarnów Podgórne, are entities with foreign capital. Investments of foreign companies are estimated to arrive at over 1 billion USD. The industry structure of enterprises is very diverse. There are both production, service, logistics and trade companies (wholesalers and large retail stores, e.g. Auchan, Decathlon, Leroy Merlin). In the logistics industry, the most recognizable investment is the Amazon distribution centre which opened in the second half of 2014 (with up to 5,500 employees in some periods). The automotive industry includes: Kayser, Scania and Volvo. In the food industry includes: Strauss Cafe, Coca-Cola, Mondelez (sweets), Millano (confectionery), Glutenex (gluten-free foods). There is also a very big tobacco factory.

The situation regarding the labour market in Tarnów Podgórne is very positive. According to the estimates of the municipal office, the companies operating in the region employ around 40,000 people (including seasonal Amazon employees at the pre-holiday summit). This figure is almost twice as high as the

total number of inhabitants of the municipality. Tarnowo Podgórne is a municipality of great importance for the supralocal labour market.

Unemployment in the municipality is basically non-existent. In 2016, the unemployment rate was 2.4%. The local authorities have often emphasized that the labour market is drained and the lack of workers may in the future become a development barrier for the municipality. However, such concerns have existed for many years and so far companies have been able to find employees, mainly commuters from outside the municipality.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4	Resp. n. 5
Gender (i.e. male or female)	male	Male	Male	Male	male
Role	President of NSZZ „Solidarność” at Volkswagen Poznań	Former President of NSZZ Solidarność at MAN Sady	Former president of OPZZ trade union organization at MAN Sady	Deputy head of the Tarnowo Podgórne municipality	Former worker
Role of the respondent in the case	Involved in negotiations	Involved in negotiations	Involved in negotiations	Representative of local authorities	Subject

In 1998, in the Tarnowo Podgórne region (West Poland), in the town of Sady, a new factory of the German MAN group (Maschinenfabrik Augsburg – Nurnberg) began its production of city buses in a newly built plant. Chassis for buses were transported from a MAN factory located almost 400 kilometres away in Starachowice.

In 2014, the factory employed almost 900 people.

In October 2014, the management of the group announced the decision to restructure and concentrate production. A part of the restructuring plan was to close the plant in Sady and transfer production to Starachowice. This decision meant the liquidation of 900 jobs in Sady. The president of the company said in one interview: *The concentration of the entire bus production in Starachowice is a reaction of MAN to weak demand and unused production capacity. All employees affected by the changes can move to our plant in Starachowice. We expect attractive relocation bonuses for employees who decide to move to Starachowice...*

Most of the companies in the Volkswagen group enjoy relative autonomy in business decisions and an extensive system of industrial relations. All information is passed on to employee representatives on the supervisory boards and to the European works council. Polish workers of MAN were represented by the Sady leader of the trade union organisation OPZZ (All Poland Alliance of Trade Unions). The Polish workers of Volkswagen were represented by the trade union organisation NSZZ Solidarność at company level. Therefore, employees' representatives learned quite quickly about plans to transfer production (and in the opinion of the unions about the de facto closure of the factory). Initial negotiations between trade unions leaders took place during the meetings of the Volkswagen European works council.

The framework strategy was established and from that time both trade unions bargained independently with their own management. NSZZ Solidarność in Volkswagen conducted talks on the acquisition of as many employees as possible. Trade unions at MAN negotiated the forms and conditions of employment restructuring. It can therefore be concluded that the unions were looking for a dialogue with the employer, on the one hand proposing ready solutions regarding the employment opportunities of these employees, and on the other hand preparing a "soft landing" for those who unable to find a job in other companies belonging to the group.

It was of primary importance for the trade unions of both MAN and Volkswagen to keep employees at work. It was mainly about the potential of skilled workers, "real specialists" as they were described by one of the unionists. The trade unions at MAN negotiated the relocation of some employees to MAN's plant in another part of the country. Because this plant was a considerable distance from the location in Sady (400 kilometres), everyone realized that it would be extremely difficult to convince a large part of the employees to change their lives completely. That is why "Solidarity" in Volkswagen started talks with the company's management about employing part of the workers from the plant in Sady.

As the trade unionists admit, there was an element of luck involved. At the same time, Volkswagen decided to withdraw from their cooperation with Mercedes and undertake the self-assembly of one of the car models in the plant, which they intended to assemble in a new location. Various countries were taken into account, but thanks to the active lobbying of trade unions, it was finally decided on Poland and a new plant was built 80 kilometres away from the factory in Sady. It was great opportunity for some employees from Sady to get a job without needing to move.

Additionally, the demand for different car models increased, which in turn forced Volkswagen to change their system of work in the plants in Poznań. The transition to the Monday - Saturday system required another 700 additional employees. Many of the newly recruited workers, had previously worked at the MAN plant in Sady..

It seems that the trade unions of both companies played a key role in the restructuring process. Trade union leaders from Volkswagen and MAN were members of the European Works Council. It was during meetings of the EWC that they discussed problems raised by the restructuring plans and decided to cooperate in the allocation of workers. Although the negotiations were conducted separately, they were part of a comprehensive action plan for the restructuring of employment of around 900 employees.

As a result of the negotiations, three variants were adopted.

The first was the result of the negotiations between Volkswagen's trade unions and the management. In accordance with these arrangements:

- employees of the MAN plant who decide to go to the Volkswagen plant automatically receive a job offer
- working conditions could not be worse than those they had at MAN (one of the arguments in the discussions on this subject was related to the high qualifications of the employees)
- their salaries could not be lower than the one they received at MAN.

The agreement was not formal.

The second option regarded voluntary resignation. Depending on seniority, employees could receive up to 12 monthly salaries, which amounted to around 25,000 Euros.

The third option was the move to the plant in Starachowice. These employees received employment guarantees for a period of 3 years, maintaining their level of remuneration. The company also guaranteed relocation bonuses to cover the cost of housing and accommodation. In addition, the employee received a bonus of 12,500 Euros or the equivalent of 12 wages.

As one of my interlocutors said, "if we want to co-decide on the fate of employees, we must also assume the need for co-responsibility ...", which means that during negotiations, we cannot dictate conditions that are detached from reality and the employer's possibilities. It also means that we must take responsibility for the conditions of employees in a new working environment.

While in Volkswagen, there is one trade union which autonomously conducted negotiations with the management, at the MAN factory, there were three organizations that did not always speak with one voice. Trade union pluralism at company level, according to union activists, significantly hinders negotiations, because some unions may use the situation to improve their image by making excessive demands. This is what happened and this was probably the most important barrier in negotiations with the management of MAN. However, it seems that two of the biggest trade union organisations in MAN Sady: Solidarność and OPZZ had relatively similar goals.

It should be mentioned that there is only one trade union in Volkswagen - NSZZ Solidarność. This is why NSZZ "Solidarność" from MAN Sady fought for the best conditions for their workers relocation to Volkswagen. In turn OPZZ, facing the problem of possible existence (rather non existence) in the new company, negotiated the highest possible severance pay. – a fact ascertained by one of my respondents.

The reaction of employees to information regarding the closure of the company was surprising. The decision was forwarded at a staff meeting. The president of the company, who came from Germany, informed the employees about the decision concerning the plant closure. Some employees began to clap. Others began to whistle. When I asked "Why were there such extreme reactions?", the former president of MAN's NSZZ "Solidarność" organization said: "Those who clapped were people who hoped that with the closure of the plant would receive very high severance pay. Before the meeting concerning company closure, rumours had long been circulating about the amount of severance pay for the employees. Some counted on receiving 5 wages for each year worked. Of course, this was not true. However, some were already counting on big fortunes "falling from heaven."

Those who whistled were people who looked worriedly at their future. The worker I spoke to said: *"I've been with this company for 19 years so when I've heard the news, I felt like somebody had just hit me in the face".*

The Solidarity chairman from Volkswagen, who took part in the meeting, admitted in a conversation that he would remember, the reaction of the dissatisfied, for the rest of his life. "I will never forget some employees, when it was openly said that the experience of MAN in Sady would end. I would never want to experience something like this again. "

After some time, during the negotiations concerning the liquidation conditions of the company, the trade unions organized a picket in which almost 600 employees took part, which was 2/3 of the company staff. However, the event itself was symbolic and nobody expected it to stop the change.

In principle, neither the local authorities of the Tarnowo Podgórne commune, nor the local authorities of Starachowice were involved in the restructuring process. In the case of the first municipality, we can talk about the “saturated syndrome”. It is one of the richest rural municipalities in Poland, and in the area numerous enterprises have been established, including those belonging to large international concerns. Therefore, even though the period of the plant closure was not the best for employees on the labour market, there was still a large potential for the absorption of the workforce in this region. Permanent talks with the local municipality representatives took place, but no concrete solutions were developed. The leader of one of the unions operating in MAN stated that the local authorities showed little interest, although at that time, the company was the largest employer in the region.

The representative of the local authorities I spoke to said *“We were informed of the restructuring more than one year before the closure. We didn’t see this restructuring as a threat. For some employers in our region, it was a chance to find skilled employees. As far as I know, none of these employees visited our local labour office. Most of them found new jobs immediately. Some of them decided to take a break, but after that they returned to work easily”* When I asked about the policies of the local authorities to support redundant workers, the answer was simple *“Nothing special”*. All employees could check the job offers posted on the municipality website, but no extra activity was organized. They did not plan any special programs because the demand for these workers from the other employers was sufficient.

The largest group of employees decided to quit their jobs and accepted severance pay. They were mostly employees who commuted to work from neighbouring towns. Some of them decided not to join Volkswagen for other reasons. Interviewed workers decided to go to Volkswagen because they were afraid that work would be too hard: *“My cousin, who works at Volkswagen, warned me, that work organisation is different [more frequent “taktzeit” than in MAN] and it will be too hard for me.”.. “Additionally, at Volkswagen, they work in a “three shift system”*. The other one said: *“I went to the VW Open Days and when I saw this monotony of work, I thought that sooner or later it would kill me”*.

Because the local labour market is quite absorptive, these employees assumed that they would be able to find a new job quite quickly. In general, this was the case. Some of them opened small car repair shops.

About 300 employees moved to the Volkswagen factories. Due to the similar nature of work, they quickly found themselves in a new environment according to trade unionists from VW. However, the information I received reflected a less optimistic reality: some of the former MAN employees resigned from working at VW.

A relatively small group of employees moved to Starachowice, which consisted mostly of young people and workers who were waiting for the retirement. “A small interest in the “Starachowice option” was primarily related to the prospect of lower wages in the long run”, said one worker and “for us from the west of Poland, Starachowice is a culturally different region”, he added.

In January, the trade unions at the MAN factory in Starachowice opened a collective dispute with their employer regarding wage increases. (https://www.youtube.com/watch?v=QZaMgY__xVs)

TRANSFERABILITY OF THE CASE-STUDY

The solutions adopted were of a comprehensive nature. Several solutions were presented to employees, which were very beneficial. In principle, each of the employees had the opportunity to work.

The “transferability” of the restructuring experiences from MAN had very limited scope. Restructuring in such a form would not have been possible had it not been for several favourable circumstances:

- company size
- extended system of industrial relations
- favourable situation of the automotive market and related development plans
- the economic profile of the region, where there were considerable employment opportunities in other enterprises.

According to my interlocutors, it would be difficult to apply this restructuring model in other cases. It is possible to identify barriers and elements supporting a complex restructuring process.

A very important role in the analyzed case was played by the European Works Council. If both union presidents had not been members of the EWC, they would probably have received information on the plans much later, thus having less time to prepare for change.

The company's organizational culture, promoting social partnership and the involvement of trade unions in decision-making processes, was also important.

Undoubtedly, the trade union pluralism in MAN's factory became a barrier, where there was an "auction" of demands, which led to the suspension of negotiations.

One should also ask the question, in what form would the employment restructuring take place if there were no trade unions?

2.4 Spain: case study

SPAIN: CASE N. 1 – ALMIRALL

Year: October 2016 / November 2016
Sector of activity: Pharmaceutical industry
Number of workers involved: 102
Local area: Barcelona metropolitan area

CHARACTERISTICS OF THE LOCAL LABOUR MARKET AND BUSINESS DEMOGRAPHY

Sources:

For labour market statistics: Eurostat, Regional labour market statistics, Regional employment – LFS annual series
For business demography statistics: Eurostat, Regional business demography

Regional employment and unemployment (%)15-64 years

	2008	2011	2012	2013	2014	2015	2016
Employment	70.3	63.0	60.1	59.8	61.9	63.1	65.5
Unemployment	8.9	19.2	22.5	23.1	20.3	18.6	15.7

Employment by economic activity (NACE Rev. 2) 15-64 years – (1,000s and % of total)

		2008	2011	2012	2013	2014	2015	2016
A	Agriculture, forestry and fishing	61.2	57.7	54.5	51.5	44.2	47.3	49.4
	% of total	1.72	1.82	1.82	1.75	1.47	1.55	1.56
B-E	Industry (except construction)	764.3	587.1	560.0	545.2	554.1	579.7	581.8
	% of total	21.48	18.50	18.67	18.52	18.43	19.00	18.42
F	Construction	404.9	245.1	196.3	183.6	180.7	182.0	183.1
	% of total	11.38	7.72	6.54	6.24	6.01	5.96	5.80
G-I	Wholesale and retail trade, transport, accommodation and food service activities	932.7	894.2	842.2	813.1	848.7	865.4	923.1
	% of total	26.21	28.18	28.07	27.62	28.23	28.36	29.22
J	Information and communication	103.5	105.3	96.7	106.4	105.1	96.8	98.3
	% of total	2.91	3.32	3.22	3.61	3.50	3.17	3.11
K	Financial and insurance activities	88.2	67.8	65.3	78.6	80.0	83.1	77.4
	% of total	2.48	2.14	2.18	2.67	2.66	2.72	2.45
L	Real estate activities	29.4	24.3	18.8	22.6	21.5	16.9	24.2
	% of total	0.83	0.77	0.63	0.77	0.72	0.55	0.77
M-N	Professional, scientific and technical activities; administrative and support service activities	373.2	333.0	326.2	317.7	325.3	346.2	346.6
	% of total	10.49	10.49	10.87	10.79	10.82	11.35	10.97
O-Q	Public administration, defence, education, human health and social work activities	552.5	614.8	602.6	585.1	598.6	593.7	634.9
	% of total	15.53	19.37	20.09	19.87	19.91	19.46	20.10
R-U	Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	248.7	244.3	237.6	239.9	248.1	240.4	240.4
	% of total	6.99	7.70	7.92	8.15	8.25	7.88	7.61
NRP	No response	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOT.	Total - all NACE activities	3,558.6	3,173.7	3,000.2	2,943.9	3,006.1	3,051.4	3,159.1

Regional business demography patterns (%)

	2008	2011	2012	2013	2014	2015	2016
V97020 Birth rate: <i>number of enterprise births in the reference period (t) divided by the number of enterprises active in t</i>	:	8.52	8.78	9.19	9.94	:	:
V97021 Proportion of enterprise births in the reference period (t) according to size class	:	:	:	:	:	:	:
V97030 Death rate: <i>number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t</i>	:	9.85	10.24	9.75	:	:	:
V97031 Proportion of enterprise deaths in the reference period (t) according to size class	:	:	:	:	:	:	:
V97015 Business churn: <i>birth rate + death rate</i>	:	18.37	19.02	18.94		:	:
V97043 Survival rate 3: <i>number of enterprises in the reference period (t) newly born in t-3 having survived to t divided by the number of enterprise births in t-3</i>	:	:	:	:	52.97	:	:
V97053 3-year old enterprises' share of the business population	:	5.35	4.38	4.58	4.67	:	:
V97120 Employment share of enterprise births: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among the stock of enterprises active in t</i>	:	3.12	3.23	3.39	3.46	:	:
V97121 Average size of newly born enterprises: <i>number of persons employed in the reference period (t) among enterprises newly born in t divided by the number of enterprises newly born in t</i>	:	145.32	143.63	145.86	139.39	:	:
V97122 New enterprise paid employment rate: <i>number of employees in the reference period (t) among enterprises newly born in t divided by the number of persons employed in t among enterprises newly born in t</i>	:	36.40	35.79	36.46	33.65	:	:
V97130 Employment share of enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths divided by the number of persons employed in t among the stock of active enterprises in t</i>	:	3.83	4.19	3.90	:	:	:
V97131 Average employment in enterprise deaths: <i>number of persons employed in the reference period (t) among enterprise deaths in t divided by the number of enterprise deaths in t</i>	:	154.50	159.96	158.34	:	:	:

This case of restructuring regards the metropolitan area of Barcelona, in the region of Catalonia. The crisis is still present in the Catalan territory with an unemployment rate of 12.54% (November 2017, Idescat), although far from the maximum levels during the crisis (24.5%). In this period, there took place a process of sectoral transformation, losing importance sectors such as construction or industry while services (focused mainly on tourism) have increased. In this period of crisis, consumption and consequently industrial production collapsed. In the industrial field, Barcelona has had serious problems of relocation, basically moving industries to countries with a cheaper workforce. Problems increased by the scarce and expensive industrial land in its metropolitan area, the second most expensive in Europe just behind London. Even so, Barcelona continues to be an industrial capital of Spain, generating 25% of total Spanish exports in some subsectors.

The company studied (Almirall) is a pharmaceutical enterprise. It is therefore located within the industrial sector, being the fourth sector in terms of employment in Catalonia (18.42% in 2016, behind Retail, Public Administration, Real estate and Professional, scientific and technical activities). In addition, in 2008 (at the beginning of the crisis), the industrial sector represented 21.48% of the sector.

More specifically, the pharmaceutical sector has undergone major restructuring due to various changes in the regulation of the sector in Spain: mainly, greater regulation of the price of medicines and greater fiscal pressure. This has pushed many companies to implement important organizational changes. Thus, apart from the death rate of companies in Catalonia (10.24% in 2012), it is important to highlight that

the sector suffers an organizational rather than an economic crisis, although it also affects employment. However, it should be noted that the Chemical sector collective agreement (where pharmaceutical companies are concentrated) is one of the agreements in Spain with better conditions, with one of the highest annual gross salaries in Spain.

FIELDWORK

Profile of the respondents

	Resp. n. 1	Resp. n. 2	Resp. n. 3	Resp. n. 4
Gender (i.e. male or female)	Female	Male	Male	Male
Role	Union representative	Union representative	Union representative	Union representative
Role of the respondent in the case	Almirall workers representative and restructuring bargaining process member	Almirall workers representative and restructuring bargaining process member	Sectoral representative	Sectoral representative

Almirall is a global company based in Barcelona dedicated to medicines and medical devices. Their work covers the entire chain of medicine. Almirall, founded in 1943, is listed on the Spanish Stock Market. With 1,800 employees (1,200 in Spain), it is present in Europe and the USA. However, Almirall is considered a family company. The employees usually have very long careers in the company. Recently the company created a new line focused on dermatological products to increase profits, which initiated a process of internal reorganization.

According to the company's statements, the objective of this restructuring was to streamline operations and particularly to reallocate resources to be able to provide the required support for new projects and the company's future growth. These projects include the clinical development of new products and patents as well as growth in aesthetics. As highlighted by one of the interviewees, the restructuring process is due to organizational and productive issues, and the loss of patents and changes in regulation. A new law obliged pharmaceutical sales agents to go directly to hospital centres instead of visiting each doctor one by one (the latter law having a notable impact on the work sales agents).

The company has undergone two restructuring processes in recent years (2014 and 2016). This last restructuring process affected the corporate area, R&D and production, involving several centres located in the metropolitan area of Barcelona (The city of Barcelona, Sant Andreu, Sant Celoni and Sant Feliu). Almirall is composed of a series of sub-companies, so the restructuring affected each of them differently, impacting mainly on the sales network (with a 50% reduction in employment). The consulted agents point out that the restructuring is due to organizational and not economic issues. In fact, during the restructuring process, the company announced a net profit of 103.5 million Euros, 41.2% more than in the same period of the previous year. However, these benefits were the result of the new division of dermatological products.

At first, the company expressed the need to dismiss 121 employees, mainly people from the corporate area. Finally, the number was reduced to 102 employees. 70% were voluntary exits. In addition, one of the first measures adopted was that there were to be no employees of external companies developing projects

or services that Almirall employees could perform. From that position, bargaining began concerning the number of dismissals. The idea was to dismiss external rather than internal workers. Most of the workers voted in favour of the agreement.

There was a surprising reaction of the employees at the beginning, but more contained than in 2014. The previous agreements with Almirall and other companies in the sector had always been positive, so the employees expected something similar for this process of restructuring. On the side of the unions, the response was cautious because they knew that the company prefers to avoid conflict and public exposure. With the threat of publishing press releases, the company was already reacting. Furthermore, the agreements in the previous restructurings had worked well. However, the first reaction of the unions to the proposed restructuring was negative. The study of the unions established that the number of employees was not enough to maintain the planned functions; hence the number of dismissed workers was reduced.

However, the works council was professionalized more for this second restructuring, being an organ of continuous consultation for the workers. Thus, the main functions performed by the committee during the process were: basic advice, process planning, analysis of causes, study of staff and study of alternatives (voluntariness, inter-changeability of positions and reduction of dismissals).

Two unions form the committee: CCOO (majority) and UGT. The main purpose of the unions was to get an agreement that was as good as the previous agreements. The agreement was mainly characterized by a reduction in the number of redundancies, a consensus on the number of voluntary exits (around 70% of all dismissals) and an agreement on compensation: specifically, in the economic section, some compensations were equivalent to the minimum amount foreseen by law, of 45 days per year worked until 2012 and 33 days per year until the time of dismissal, plus a supplement that would range between 35% and 15%, depending on the compensation. The high percentage of employees who left voluntarily is a demonstration of the high degree of acceptance of the agreement.

Another of the fundamental aspects of the agreement is a social relocation plan for all dismissed workers. Although this is a legal requirement in cases of restructuring, collective bargaining influenced the selection of the contracted company and the conditions of this relocation plan. Thus, the company has finally contracted an external relocation plan for 18 months (the legal minimum is six) to facilitate the reincorporation of the affected workers into the labour market, as well as training aids for their retraining and professional specialization. A total of 65 people agreed to this plan. The new jobs had to fulfil several requirements: maximum distance of 25 km from home, salary equivalent to 80-90% of Almirall, training aid of € 3,000, etc. The committee encouraged this plan. Today, 60% are already working, which is considered positive by social agents. There is a follow-up commission for this relocation plan that meets every two months to evaluate the success of that plan.

However, the first objective for the unions during the bargaining process was the relocation of workers within the company to avoid dismissals. For this, the committee carried out a workforce study to analyze what positions were necessary for the operation of certain departments and what workers could be recycled to occupy different positions in other departments or centres of the company. For example, there have been chemical plant analysts who have changed their position to work in customer service or production employees who now perform picking tasks (preparation of orders for pharmacies). In these

cases, these relocations are made with the commitment that once a vacancy opens in the old job, that employee will have priority to return to their original position.

In this sense, members of the committee assure that it is essential to have a global vision of all centres and departments to facilitate the relocation of employees. Thus, these relocations have saved 19 jobs. Therefore, according to the interviewees, the redundancies are the last subject to be bargained. First it is necessary to save jobs, as well as to agree preferential rights for certain groups (employees with children with disabilities, women in cases of gender violence, etc.). Thus, employees perceive the utility of collective bargaining.

Regarding redundancies, the members of the committee agreed variable compensations according to the profile of each employee. They negotiated linear compensation ranges: the lower the salary, the more compensation and vice versa. Some compensation could exceed 150,000 Euros. Thus, analyzing the number of people affected, their ages, salaries and contributions, a collective compensation model was designed, which was as fair as possible towards the most disadvantaged people within the company, thus always maintaining the conditions to which employees are entitled, but favouring the compensation of the weakest. These initiatives have always emerged through the action of the trade unions. The company does get involved in these aspects.

The fundamental strategy of the unions was to be organized and provide updated information for employees. In this way, the members of the committee made periodic announcements, organized assemblies and even held a press conference on a local television network. The objective was to keep employees involved but not exhaust them. Thus, if there had been no agreement, the capacity for reaction would have, in any case, been positive. Therefore, the unity of action was fundamental for the bargaining process. Likewise, Almirall is a company that values social peace very much. Due to their presence on the stock market, any conflict that appears in the press can have a very negative impact. This is known by the representatives of the workers, which facilitated the bargaining. Regarding the role of the Public Administration, no entity played any role in the negotiation process. Members of the committee declared that they received courtesy calls from some city councils, but without any real involvement. There was the possible support of the City Council of Sant Celoni, but the committee considered that it was not opportune to receive support from any public administration because sometimes it can become an uncontrollable process. Some politicians can use this type of process politically, making the bargaining process more difficult for the committee.

The evaluation of the agreement by the unions is positive despite the negative aspects implied by a restructuring process. The bargaining process was tense, having to control the emotions of the staff to show unity in front of the company. Even so, it was important that the causes were organizational and not economic, so it was easier to negotiate when a company has important benefits. The committee made it clear that if the company had to change business model in order to improve benefits, the staff has to adapt to these changes. However, this adaptation must be mainly through the relocation of employees within the company.

In addition, the flexibility measures they had to propose were considered positive. Even so, members of the Committee emphasized that one of the main difficulties they faced regarded the lack of knowledge concerning the jobs and their tasks by the company's human resources departments.

Regarding the follow-up of the restructuring process, a follow-up commission was approved in the agreement, which meets every three months. The topics to be discussed concern the process of relocation of the dismissed employees, the reorganization of the departments, the workloads and the training aids. In this regard, the workers' representatives point out that in a restructuring process, it is also important to negotiate the conditions of the workers who remain in the company.

Regarding the development of the bargaining, the unions affirm that it was not easy. At the beginning, the company refused to provide the required information to be able to carry out the workforce study. The representatives of the workers perceived it as a strategy of the company to make it difficult at the beginning to buy time. However, the unions have stated that the company respected its role in the negotiation.

As alternative solutions, some committee members consider that the professional recycling of some workers should have been implemented in order to adapt to the new line of business focused on dermatology. For example, there are biologists who were dismissed in the process of restructuring while other biologists were hired in the new line of business. Continuous training in this case could have been a fundamental alternative solution.

In this regard, although many of those affected by the restructuring are 55 years old, young workers were also dismissed. With adequate training, they could have been relocated within the company. Likewise, a salary reduction was proposed to reduce the number of dismissals, but the company did not accept.

The impact that this restructuring has had at local level is not significant, due to the important weight of the industry in the metropolitan area of Barcelona. In the municipality of Sant Celoni, however, there was some more impact. Other companies in the pharmaceutical sector have suffered similar restructurings due to organizational causes as well. There have also been cases of transfers to other territories and mergers with other companies.

TRANSFERABILITY OF THE CASE-STUDY

The representation of the workers considers that the bargaining process of the restructuring of Almirall can be transferable to other cases, always taking into account that the restructuring had organizational and not economic causes. In this sense, a measure that can be seen as good practice is the relocation of workers from one department to another within the company, always supported by continuous training mechanisms. Likewise, the training check is highlighted as a tool that helps recycling and improves the employability of the dismissed workers. Another measure that could be transferred concerns the extension of the period of accompaniment of the external company for the relocation of employees to 18 months. Even so, the workers' representatives recognize that the pharmaceutical sector has good economic and working conditions compared to other sectors.

3. Conclusions

3.1 Key findings of case studies: resources and constraints

The field research made it possible to gather information regarding the attitudes and strategies enacted by social partners in order to tackle the negative effects of the economic crisis on companies, employment and local labour markets, and to investigate in which manner those factors - together with the normative framework - have influenced the outcomes of social partner action.

3.1.1 Social partners attitudes, strategies and outcomes

The case studies highlighted the goals pursued, the means and resources employed or mobilized by social partners in order to achieve different goals: to prevent closure, to organize the heavy restructuring of productive sites, to concur regarding the re-launch of the local economy, to manage collective redundancies by supporting workers in setting up different forms of enterprise and self-employment, or in re-training and the acquisition of new competences useful for a successful relocation.

France

Case study 1: KME

In an unfavourable framework of both structural and short-term crisis, in 2008 the KME Group adopted a strategy of disengagement, streamlining, and cessation of activity in some of its European production units. The main goal was to focus production in one site in Germany. Employee representatives at KME, mostly CFTD, agreed, in a cooperative manner, to sign a productivity clause: KME decided to maintain or increase production in the local site in exchange for modifications in working conditions. In 2015, despite significant financial and productivity improvements, the KME group announced their decision to close the local establishment. Workers' representatives, at this point, changed their attitude. It was no longer the time for cooperation or for negotiating a deal over collective layoffs, so the conflict became politicized. Workers' representatives called for support from institutional and political actors, at both local and national levels. However, conscious of the magnitude of the opportunity provided by the "Florange bill" (see section 2.1.2), they refrained from calling a strike or organizing other forms of protest. The politicization of the conflict was so pronounced that a new bill (i.e. bill on pledged inventories, see section 2.2.2) was passed in January 2016, which favoured the negotiations concerning the take-over of the local production site. A Finnish group submitted a proposal for the acquisition along with an industrial plan, which estimated 70 layoffs. Trade unions kept on opposing layoffs and offered to develop an alternative industrial plan. With this plan, the workers could collectively determine the ways in which to cut costs. They identified a number of avoidable expenses and took several specific measures. On top of these proposed changes, which included 33 early retirements, the costs would have dropped significantly so the take-over was signed.

Case study 2: PSA

PSA has been announcing collective layoffs since 2006, following structural problems of overcapacity and severe competition. In 2012, when 1,000 layoffs were announced, an early retirement deal was set up, which enabled employees to leave the company 5 years before their retirement age while still receiving 75% of their retirement benefits. In 2013, the management and employee representatives signed a competitiveness clause. In exchange for a freeze on salaries, a cut in bonuses, and a more flexible work organization, PSA promised to renew its production. CFDT and CGT, which were, at the time, minority trade unions in the plant, opposed the deal. However, the company union signed. The agreement declared that the production plant would not close, but, in effect, the deal seemed to only put back this closure a couple of years. CFDT started to organise protests, by means of marches, and strikes to oppose the clause. They managed to mobilize employees and production was blocked for a number of hours. In 2014, CFDT gained the majority and sat at the negotiation tables with more power. At that time, the competitiveness clause, as well as a national pact concerning the maintenance of employment, was about to expire. The economic context had changed, and worked in their favour: the European auto market was recovering. CFDT asked for political and institutional support and pushed PSA to set up a steering committee with the support of both the president of the region and the prefect. In November 2014, PSA, the president of the regional council and employee representatives acknowledged the necessity of regional support to preserve the production and employment levels at the local establishment. They all agreed that the site was oversized, especially after downsizing production, and that structural costs heavily hindered the site's profitability. To remedy this problem, with the unions' consent, the region offered to buy back 520,000 square metres of unoccupied land, which would be used in a large-scale reindustrialization project focused on sustainable innovation. To date, two companies have begun production: the Atlantic High Speed Train (TGV) car recycling workshop, which employs 80 staff on loan from PSA, and B3 EcoDesign, a home design and construction company that aims to mass produce homes built from naval transport containers. PSA received 13.3 million euros in liquid assets. This procedure was made possible by the NOTRE law (see section 2.2.2.), recently passed by the socialist government, to accelerate processes of decentralization and to reinforce the ability and economic power of regional governments. In exchange, PSA promised to invest 100 million euros: 75 in order to modernize the site, and 25 to bring back contracting jobs (dashboard and apron production) to Ille-et-Vilaine. Furthermore, PSA announced their decision to produce locally a new model that they had originally planned to develop in China. As part of the deal, trade unions signed a competitiveness clause that put an end to extra days off for some workers and instituted salary reductions until 2019. Furthermore, PSA installed individual counter modules, an individualized system of time management that drastically increased work flexibility. Despite these major steps forward, and the social partners' cooperative attitude, there are still controversies and disagreements. Several times, PSA has opted to sell employees' contracts to other companies. Employees were neither consulted nor even informed of the change. Unions have resisted these practices by attempting to sue the leadership.

Italy

Case study 1: DISTRETTO CALZA ALTO MANTOVANO

Mantua's economy is primarily concerned with the processing and shipping of agricultural products, but it is also the centre of a hosiery industrial district, which in the past was considered the second in the world. The industrial district, until a few years ago, was considered the biggest in Europe (and the second in the world) with 400 companies and almost 18,000 workers. According to union data, it now employs approximately 8,000 workers and the number of companies has decreased by 10%. The competitiveness of the district started to fade following entry into the euro area, when an increasing number of companies began to relocate their production cycles, and some of the major players moved their production units abroad. A further effect of this process was the opening in the area of many small Chinese laboratories, where working conditions are often legally questionable. Some companies, unable to relocate their plants, used these laboratories in order to cut production costs. This has contributed to the loss of regular jobs often replaced by clandestine and illegal forms of employment.

In order to tackle the negative consequences of these processes, the local actors (first of all, the Mayor of the main local municipality of the area and the local trade unions) tried to engage relevant stakeholders, at both local and national level, in order to: a) re-launch the economy of the industrial district by helping unemployed workers, made redundant by bankrupted firms, through interventions aimed to improve their employability and their chances of starting up their own businesses in a cooperative form; b) tackle illegal forms of employment and unfair competition by micro, mainly Chinese-owned, enterprises. An agreement was signed, according to which some local enterprises were paid to make productive plants available (i.e. sites, machineries and tools) for potential start-ups. Industrial relations particularly aimed to promote and sustain the creation of workers' cooperatives (preliminary studies, business plans, finding available plants, union assemblies), and contrast undeclared work and the illegal economy, so as to protect local companies against unfair competition. A small cooperative enterprise was established in November 2016.

The socio-economic tradition of the local area supported the creation of commercial relationships between the start-up and active enterprises. No dedicated funds were available and workers relied on their severance pays and labour market supports (mostly unemployment benefits) to finance the start-up of new business ventures. Furthermore, it was difficult to involve former employees in setting up new business ventures because such initiatives require a risk-taking attitude. However, thanks to the mutual trust and confidence shared in the context, most local actors became committed to the project and trade unions were able to gain workers' trust. Politicians, trade unions, and employers' representatives mutually reacted to the productive and economic crisis of the industrial district.

Case study 2: AGNESI

Established in 1824, this pasta factory has represented a symbol of excellence in durum wheat products for decades. After a long period of crisis – which started in the 1970s and dramatically worsened in recent years - in 2014, the decision to close the plant was definitively taken. The production was relocated, and the loss of jobs was high in the local area, with 103 dismissed workers. After opposition to the company closure and different forms of protest (involving local and national representatives), and despite intense

collective bargaining carried out in an attempt to arrive at an agreement regarding social shock absorbers, collective redundancies started in December 2016. Hence, the social partners' prime concern became that of helping workers find a new job. Although not unitarily, trade unions (Fai-Cisl) endorsed the project *"Riqualfichiamo il lavoro"* ("Let's qualify work"), financed by the Liguria Region through Por 2014/2020, thanks to the co-funding of the European Social Fund.

The aim of the project was to: promote employment and social inclusion for the workers affected by collective redundancies; improve participants' qualifications and skills and give them practical help in order to open new job opportunities and support job creation (through different actions: Guidance, Competence assessment training, Placement, Tutorship); respond to the evolving local job market needs and redirect workers towards growing economic sectors at local level such as logistics and tourism. The project involved different actors soliciting a proactive attitude. The Liguria Region decided to provide resources for the re-training of workers involved in mass redundancies; Cescot Confersercenti (a no-profit organization promoted by an entrepreneurial association in Trade, Tourism and Services sectors) requested advice from the local unions in order to participate in the call for tenders; Fai-Cisl invited the company to allow the implementation of a retraining project for the dismissed workers besides on-going negotiations; the company was asked only to support the project and gave its employees the opportunity to participate in the planned activities outside working hours.

Although the difficulty in involving workers (who had mostly worked for the same company all their working lives) in training activities and in recovering their loss of trust in trade unions, and despite a lack of unanimity among the trade unions themselves in supporting the retraining project, according to Fai-Cisl representatives, the final evaluation of the project was positive. At the end of the project (on May 2017), out of 31 participants who had been through all its steps, 18 had found a job in another company, 2 had started their own activity in the tourist sector and 11 were still looking for a job. By not simply defending employment, the trade unions were capable of providing solutions aimed at promoting employability, by giving relevance to active labour policies, vocational training, recognition of formal, informal and non formal learning. A network of partners based on mutual trust and cooperation was constituted in order to deal with the negative impact of collective redundancies and find alternative solutions in a cooperative way.

Case study 3: FERROLI

The Workers' Buy Out (WBO) is the mechanism by which the workers of a company, for different reasons, but mostly when faced with an irreversible corporate crisis, form a cooperative by acquiring the pre-existing company. In this way, they keep their jobs, become entrepreneurs and manage the business directly.

The Ferroli case developed due to the crisis of the company, Ferroli Spa, a historic Italian company based in the Veneto Region in the field of boilers and home appliances, with plants also abroad.

The company was sold to an investment fund and the cuts are expected to include the closure of the foundry and assembly department of the most important plant in San Bonifacio (Verona).

The serious situation for the workers of the foundry and the assembly department of Ferroli worsened to the point that there appeared to be no way out. In fact, in July 2016, the new business plan of Ferroli spa was presented, which foresaw the closure. Within a few months, the idea of the cooperative was considered by trade unions and workers, and negotiations with Ferroli started in order to reach an

agreement on the company lease contract with the right of pre-emption to purchase (in September). We also worked on a feasibility study and the elaboration of a strategic plan for reconversion into a cooperative.

On July 25, 2017, 62 workers signed the memorandum of the new cooperative (inspired by the founder of the company Dante Ferroli), and in September, production was restarted.

The Ferroli company granted the new cooperative rental facilities for six years at a symbolic price.

Poland

Case study 1: MAN

In 1998, in the town of Sady, a new factory of the German MAN, of the Volkswagen group, began its production of city buses in a newly built plant. The production of chassis for buses was located almost 400 km away in Starachowice. In 2014, the factory employed almost 900 people. In October 2014, the management of the group announced its decision to restructure and concentrate production by closing the plant in Sady and transferring production to Starachowice. This decision meant the liquidation of 900 jobs in Sady. Polish workers of MAN were represented by the leader of Sady' company OPZZ (All Poland Alliance of Trade Unions) trade union organization. The Polish workers of Volkswagen were represented by the NSZZ Solidarność company trade union organization. Therefore, employees' representatives learned quite quickly about plans to transfer production. Initial negotiations between trade union leaders took part during the meetings of the Volkswagen *European works council*, which played a very important role in this case. Trade union leaders from Volkswagen and MAN were both members of the European Works Council. It was during meetings of the EWC that they discussed problems arising from the restructuring plans and decided to cooperate in the re-allocation of workers. One of the trade unions was interested in the effective relocation of employees to another VW company, while the other focused on increasing the value of severance pay: NSZZ Solidarność in Volkswagen conducted talks on the acquisition of as many employees as possible. Trade unions at MAN negotiated the forms and conditions of employment restructuring. Although the negotiations were conducted separately, they were part of a comprehensive action plan: a "framework strategy". Despite the fact there was a general attitude of cooperation and co-responsibility, some problems arose due to the different features of trade unions. While in Volkswagen, there is only one trade union and it autonomously conducted negotiations with the management, at the MAN factory, there were three organizations that did not always speak with one voice. This pluralism at company level significantly hindered the negotiations.

The reaction of employees to information about the closure of the company was polarized: on the one hand, there were those who hoped that with the closure of the plant, they would receive very high severance pay, while on the other hand, some were worried about their future. In the end, several alternative solutions were presented to employees, which were very beneficial. In principle, each of the employees had the opportunity to work. To this end, the company's organizational culture, promoting social partnership and the involvement of trade unions in decision-making processes, was very important. The local authorities of the areas involved were not involved in the restructuring process. Although these processes of the company's restructuring/relocation/closure affected a large number of workers, the dynamism of the labour market remained high. The largest group of employees decided to quit and accept

the severance pay, with about 300 employees moving to the new VW plant, and a relatively small group moving to Starachowice, 400 km away.

There were positive circumstances which helped the situation. Volkswagen decided to withdraw from their cooperation with Mercedes and undertake the self-assembly of one of the car models in the new plant. It was finally decided to assemble this model in Poland and a new plant was built 80 km away from the factory in Sady. It was a great opportunity for some employees from Sady to obtain a job being relocated. Additionally, the demand for different car models increased, which in turn forced Volkswagen to change the production system in the plants in Poznań. This resulted in the recruitment of new workers, with many coming from the MAN plant in Sady.

Spain

Case study 1: Almirall

Almirall is a global company involved in the production of pharmaceutical products and medical devices. Based in Barcelona, Almirall has undergone two major restructuring processes in recent years, which were due to organizational rather than financial reasons. In 2016, Almirall announced that 121 employees would be dismissed. While the employees were surprised by this announcement, the trade unions were initially cautious and tried to avoid conflict and politicization of the situation. Almirall is also known as a company that tries and avoids conflict. This factor favoured positive dialogue during negotiations. Employee representatives first studied and questioned the new restructuring plan: their main goal was to avoid layoffs and favour, instead, relocation within the company. This was not easy at the beginning, since Almirall refused to provide updated information about the workforce. The strategy of employee representatives was to maintain a unitary position and to provide updated information to the workforce, through periodic announcements and assemblies. A deal was soon signed, whose main contents were: a reduction in the number of redundancies, voluntary layoffs (around 70% of all employees due to be dismissed), a personal compensation plan, with the lowest profiles getting a comparatively higher compensation. Furthermore, a relocation plan for all dismissed employees was agreed. Although this is a legal requirement in the case of restructuring, collective bargaining influenced the contents of this plan. Namely, as part of the agreement, the relocation plan was intended to last 18 months (the legal minimum is 6) and the new jobs needed to fulfil several requirements (e.g. maximum distance of 25 km; 80-90% of the last salary, a training aid of € 3,000); in addition, as part of the deal, a commission periodically meets in order to assess the intermediate results of the relocation plan.

3.1.2 The normative (regulative and contractual) framework

As already mentioned above, the resolution of the analysed cases was often found also thanks to specific normative frameworks. According to a broader definition of the term “normative”, attention was paid not only to the laws relevant in each case, but also to the different forms of regulation that shape the context (e.g. networks), the level of social capital and trust, the type of bargaining (e.g. centralized vs. de-centralized), the coverage and representativeness of trade unions, workers’ participation rights (e.g. right to be consulted or informed).

France

In the two French case studies, some specific laws and the high level of social capital and trust among the actors involved played a relevant role. In **case study 1: KME**, of particular importance was the Florange Bill (2004, see section 2.1.2), which forces the company to find a new buyer), guarantees the “alert right” (allowing an employee to signal a life-threatening situation to her employer without repercussions), and “expertise rights” (allowing the work council to call on experts to take decisions). Furthermore, using an existing German law as a model, a bill that allows banks to offer investment loans by using a company's inventory as a pledge was proposed and then approved. The bill regarding pledged inventories was passed on January 29, 2016. In addition to this, the strong bonds among trade unions and political and regional actors contributed to reach the goals pursued. Moreover, due to the fact that within the company, most workers are unionized (the majority of them with the CFDT, 80% in the last elections), there was considerable trust in their representatives.

Likewise, in **case study 2: PSE**, the NOTRE law (New Territorial Organization for the Republic, 2015, see sections 2.1.2.), played a decisive role. Recently passed by the socialist government, it accelerates processes of decentralization with the aim to reinforce Regions' prerogatives and economic power. Conversely, the fact that the CFDT is the leading trade-union in the region of Brittany gave Trade Unions an advantage as they are well known and legitimated by the local political actors. In the company, they gain the trust of the employees by distancing themselves from the corrupted former trade-union.

It is worth mentioning that despite its low rate of unionisation, close to 8 per cent, the French industrial relations system has a very high rate of collective bargaining coverage, close to 98 per cent. There are two major reasons for this: the extension of collective bargaining agreements by the Ministry of Labour and the legal form of union recognition according to which each of the five confederations CGT, FO, CFDT, CFTC and CGC were recognised by the government in 1966 as ‘representative’ at national level and were therefore entitled to sign collective agreements at any level. Thus, as long as the articulation of the levels of collective bargaining is centred around the traditional hierarchy of norms, called the ‘favour principle’, according to which each level is only supposed to add better conditions, it does not matter much whether or not the signing parties represent a majority of the employees. However, with the economic crisis and the development of concession bargaining, the issue of union representativeness has become crucial. In 2004, two major changes in the French system of industrial relations were introduced: it set a majority principle for the adoption of collective bargaining agreements, and gave company level agreements the possibility to derogate from industry agreements. Legislation adopted in 2008 introduced new criteria for determining whether a union is representative and therefore allowed to participate in collective bargaining at national, industry and company level. The new law requires a union to win at least 10 percent of the votes at workplace level, 8 percent of the votes at industry level and 8 percent of votes at national ‘inter-professional’ level in order to be considered representative. The new legislation came fully into force at national and industry level in 2013. In order to be valid, collective bargaining agreements at industry level currently must be accepted by the majority of employee representatives. Since 2013, they are only considered valid if they have been signed by unions with at least 30 percent support in the industry, based on works councils and similar elections, and if they have not been opposed by unions with majority (more

than 50 per cent) support. These rules have already started to have a significant effect at the company level where elections under the new rules have taken place.

Italy

In the Italian case studies, the search for new solutions to tackle the negative effects of the crisis on employment was supported by different forms of regulation, first of all different kinds of local multi-stakeholder networks and the stock of locally shared social capital and trust.

In **case study 1: in the Upper Mantuan hosiery industrial district**, there is a geographic concentration of small and large enterprises, which are linked through cooperative and competitive relations. There are also high levels of expertise of workers and entrepreneurs, and a widespread entrepreneurial culture in the local area, which represented a distinctive advantage.

In **case study 2: Agnesi**, there was an established network of local partners (including social partners, an employment agency, some local vocational training agencies) that supported the Retraining project. This permanent network of local partners has been collaborating for a long time at local level in order to participate in tenders regarding the supply of services for the public administration and to finance initiatives to combat the crisis. This practice of working together has generated a “modus operandi” characterized by a high level of trust that made it possible to enlarge the networks and to reach a shared solution. The small scale of the territory involved led to a better knowledge of the local production system. Hence, worker relocation took advantage of a “social capital” composed of training agencies, job services, unions and private companies. All these factors highlight the relevance of a decentralized, coordinated and partnership-based system.

In **case study 3: Ferrol**, the use of a workers’ buyout to safeguard an important productive plant is very interesting. This involved workers, trade unions, local authorities and the coordination of cooperatives with the direct role of workers and the action of the union at company level.

Poland

In **case study 1: Man**, two factors are worth mentioning: the relevance of the trade union bill (1991), and the European regulations regarding the European Works Council (EWC). Particularly thanks to the EWC, the two big trade unions involved (Solidarność and OPZZ) bargained independently at company level both in MAN and Volkswagen, but within the common framework strategy agreed at EWC level. This situation favoured reciprocal recognition. Moreover, a positive effect was determined by the extended system of industrial relations in VW (positive and collaborative industrial relations are an element of corporate culture, which promote social partnerships and the involvement of trade unions in decision-making processes).

Spain

In **case study 1: Almirall**, the bargaining process followed the main regulatory framework in Spain: mutual trust and respect during the process. Centralized bargaining between workers’ representative committees (composed of sectoral representatives and workers’ representatives) and the company, but

turning to workers for any announcement or step as well as consulting them on any agreement. The bargaining covered only internal employees, excluding other types of workers.

3.1.3 Lessons learnt

The case studies cover very different types of solutions to company crises and collective redundancies, showing how social partners have found new ways to safeguard jobs, the local economy and, possibly, to avoid the closure of the plant being restructured. The specific feature of each case is linked to the company size, the number of workers involved, effects of the economic crisis on the labour market and employment in the local area and the economic sector, but also to the specific (institutional, socio-economic, cultural, industrial relation etc) context in which it is located. Therefore, not everything can be transferred but a lot can be learned.

France

Case study 1: KME

The use of the Florange Bill, no version of which seems to exist in other countries, could lead one to think that the results of this case study are not applicable in other national contexts. However, the KME case also proves that a German law could be used as a model and imported into the French legal context. These examples clearly show the extent to which legal contexts and national public policies play a decisive role in the way industrial relations produce certain outcomes. In addition, the involvement and commitment of some relevant political and institutional actors, at both local and national levels, played a crucial role in the resolution of KME's situation.

Case study 2: PSA

The PSA case shows how preventive and truly coordinated actions between a company and its surrounding communities may work not only to save jobs, but also initiate an economic and sustainable revival at local level. Unions, by working closely and pre-emptively with public authorities (informing them, orienting their decisions, and ensuring that they could not be deceived by PSA), managed to voice their worries at a time when the site was not even officially under threat of closure. They also managed to take advantage of all institutional mechanisms available today in France and in Europe in order to protect and empower employees. In sum, social partners managed to implement a combination of measures from different policy areas, going beyond the immediate effects of the restructuring event and aiming at re-development and/or sustainable development on a local scale.

Italy

Case study 1: Distretto calza Alto Mantovano

The experience of any industrial district is unique by definition. A simple "agglomeration of firms" is a necessary but not sufficient condition to guarantee local communities beneficial effects in both economic and social terms. Conversely, strong relationships between social partners are required in order to overcome the negative outcomes of any economic crisis. Furthermore, the case study shows that setting up new enterprises, in a cooperative form, requires a business idea, a governance plan and financial resources.

Thus, dismissed employees who are supported to start-up their own businesses may benefit from specific training and the availability of financial resources.

Case study 2: Agnesi

The Agnesi case study fulfilled European recommendations on implementing active labour market policies in order to empower dismissed workers. It also indicates that the official recognition of formal, informal and non-formal skills and competences may help dismissed workers to better profit from lifelong learning and re-qualification opportunities. Moreover, our findings stress the importance of developing demand policies so as to sustain the recovery of local labour markets. Finally, the fieldwork results suggest that cooperation and mutual trust between local actors as well as a specific “modus operandi” with a clear definition of responsibilities between the local partners may lead to original solutions to local crises.

Case study 3: Ferrol

The Ferrol experience is very interesting due to the direct involvement of the unions and the association that coordinates the cooperatives in saving the company.

The important point here is how they managed to negotiate with a foreign investment fund, not only safeguarding the history and the heart of the production plant, but also involving the workers in a new challenge, in which not only did they save their production site and their work place, but they have also created a new company that will work in synergy with the original group.

Poland

Case study 1: MAN

The MAN case shows that negotiations in such a peculiar restructuring process developed within a favourable economic framework, in which the automotive market expanded and the total unemployment was quite low at local level. In addition, the European Works Council played a crucial role. Namely, being member of the EWC, the union representatives could receive information in advance and, accordingly, had enough time to develop an effective bargaining strategy. Finally, it is worth mentioning that the MAN’s organizational culture, which promotes social dialogue and the involvement of trade unions in decision-making processes, was also an important factor.

Spain

Case study 1: Almirall

The Almirall case is useful because it shows that the negotiations regarding restructuring for organizational reasons may lead to the implementation of some relevant policy measures such as vocational training, which could support the internal relocation of employees, training checks that could help increase the employability of dismissed employees, and the extension up to 18 months of the period of support for the relocation for dismissed workers.

3.2 Comments of the European social actors

3.2.1 Comments from ETUC

This analysis highlights a number of interesting aspects.

First of all, it is possible for social actors to take some of the analysed cases as examples and guidelines to follow in restructuring or closure cases in their country. In fact, 4 out of 7 cases analysed are more or less transferable, obviously with some adjustments according to national opportunities and tools. The study also shows that despite national specificities when pragmatic solutions are sought, solutions are similar in contents as well as in the processes that brought about the results. Such similarities may underline the importance of European guidelines, which can be better built through exchange of practices, mutual learning, cross-border cooperation and harmonised or coordinated legal frameworks, including transnational industrial relations.

Secondly, another aspect regards the legislative field. We saw that many cases have been resolved also thanks to the legal opportunities available for the social actors. Two laws, in particular, are of interest: the “Florange law” in France and the “Marcora law” in Italy. The first one involves the companies that are being restructured in danger of closure. This law obliges these enterprises to look for a buyer which guarantees the maintenance of the site and of occupational levels. The Marcora law promotes the conversion of firms that are in the process of restructuring into worker cooperatives (workers’ buyout). In these cases, workers have access to special funds established by the law and provided by the representative organisations of cooperatives. Both these laws could be considered as a starting point for a EU law which could support redundant workers. It is important to underline that these two laws were introduced in different historical moments showing that a good law will last and will survive political changes. The quality of legislation is a key aspect when addressing business transitions while, at the same time, preserving social and territorial cohesions.

The structure of collective bargaining and its strength also have central roles. The more social dialogue is well structured, the more possibilities there are of success. This concept could be considered a fundamental part of the European Pillar of Social Rights. Promotion of social dialogue and collective bargaining could become the 21st principle of the Pillar. The Ristart report shows that a structured social dialogue can also guarantee cooperation between the actors, which was a characteristic common to the solutions of all the analysed cases. In fact, none of them was resolved in a climate of conflict. European social actors, in cases of occupational crises, must promote the maintenance of a positive and collaborative climate in order to find the best possible solution. Furthermore, the role of the European Works Council and of European Framework Agreements must be re-launched, considering also that many of the companies being restructured are mainly transnational groups. Regarding the six analysed cases, the EWC has played a role in only one of these.

Vocational training plays a central role in the majority of cases and adapts workers’ skills to the current competitive and dynamic working environment. European social actors should continue supporting vocational training and continuous vocational training as part of active labour market policies, which offer continuing opportunities to employees in their own companies or to maximise the use of their

competences acquired also in entrepreneurship. Social actors must find a shared strategy in order to maintain the possibility for workers to play an active role in the European labour market and participate in professional mobility among the EU countries, also considering and promoting ESCO² in the single EU states.

All changes need to be funded. Two cases out of six used local, national and/or European funds. It is important to give economic tools to the workers who want to resolve their company crisis by buying the plant in order to continue production (workers' buyout) or to facilitate redundant workers in starting a new activity which will respond to local economic needs. In these cases, it is important to involve local authorities and social actors, who must provide the workers with information regarding all the economic opportunities available and, if there are no opportunities, European Social Actors must support an EU structure which will give priority access to funds for the workers involved in a company crisis.

However, all the solutions to a crisis must have a future. Workers who buy their plant and continue production, together with workers that choose autonomous employment, must have a future. Our cases often highlighted a limit of the social actors who do not have an integrated strategy with a clear vision of the future or a deep understanding of the respective sector or local economy. In this field, the legislative framework in Europe is extremely fragmented and practices are underdeveloped in too many countries. Labour and company laws are crucial, together with sound industrial relations, to activate the entrepreneurship option (such as EBO) in order to reduce risks and increase success rates. At the same time, other financial instruments may help overcome (or avoid) crises also thanks to open and accountable corporate governance patterns, which means greater involvement of employees in the orientation, supervision and control of corporate decisions. European social actors are lacking in this regard. Therefore, they must support the improvement of expertise among national workers' representatives in order to guarantee a clearer vision of the future and offer a real alternative.

According to the above-mentioned suggestions, European social actors must be committed to finding common tools and strategies in order to preserve and create employment but also, at the same time, they must help workers face the deep changes that characterize European society today. This means finding, for example, a form of European regulation for social shock absorbers, for vocational training, for the strategies involved in resolving company crises... and future research such as this current study is very useful because it can provide important information which can be used to tackle these issues and achieve objectives.

3.2.2 Comments from Industrial

The results of this project indicate that we must pay more attention to new forms of job and enterprise in order to protect the local economy. In addition, measures must be introduced to limit the impact of restructuring (plant closures, job cuts...) on workers and local economies.

The different cases illustrate a toolbox of measures which combines the role of local authorities, social dialogue, training/retraining, incentives to create a company, internal and external mobility of workers, and early retirement.

² ESCO is a multilingual classification system for European skills, competences, qualifications and occupations. By providing a common reference terminology, ESCO can enhance the way the labour market functions, help build an integrated labour market across Europe and help bridge the communication gap between the world of work and the world of education and training.

As far as legislation is concerned, it is worth mentioning the Communication of the Commission: EU Quality Framework for anticipation of change and restructuring of 2013:

(<http://ec.europa.eu/social/main.jsp?catId=782&langId=en&moreDocuments=yes>).

The report from the MEP Cercas is also interesting:

[http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0390%2b0%2bDOC%2bPDF%2bV0%2f%2fEN)

[%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0390%2b0%2bDOC%2bPDF%2bV0%2f%2fEN](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bREPORT%2bA7-2012-0390%2b0%2bDOC%2bPDF%2bV0%2f%2fEN)

Regarding what we have learnt from this research, we would like to highlight two points:

- 1) in order to limit the impact on workers, anticipation and timing are essential;
- 2) resources are necessary to train/retrain workers to facilitate their mobility.

Regarding the promotion of entrepreneurship or the creation of companies by workers, experience shows that these measures are risky and far from being successful in the long run. As trade unions, we remain cautious regarding their promotion and in any case, we recommend that workers are trained and coached. The Lip case in France is quite old but it is a well-known case in this respect.

It is also worth noting that the cases are very different in terms of size and impact. PSA almost went bankrupt in 2013. "The accord de compétitivité" represented a major concession by the trade unions but probably enabled the company to survive. The situation was very complex and conflictual.

The KME case, on the other hand, was not the same in terms of impact on the local economy although the trade unions did manage to optimize the different tools including the politicization of the case.

In conclusion, the tool box of measures is well identified today (DG Employment also has a section on restructuring which outlines these measures).

Their efficiency depends on several factors: capacity in anticipation, resources, size of the restructuring, impact on the value chain, quality of the dialogue b/w the social partners and with the local authorities as well as the resilience and performance of the local economy. Resources (in particular, financial resources) are also important.

3.3 Final remarks and recommendations

3.3.1 The strengths of the case studies

The Ristart project was a gamble right from the very beginning. After a number of studies related to the specific context and the consequences of the European and global crisis, the promoters decided to analyze some successful solutions regarding corporate crises.

The strength of the project regarded its "multiplicity", characterized by many common problems, but with very different industrial relations systems and legislative frameworks. Thus, what were the successful formulas and the actors' interactions?

A number of very different cases were analyzed in the Ristart project, even though all were included in the categories chosen at the beginning of the research and already explained in this **report**. What they all have in common is the fact there was an alliance between various actors outside and within the company which made the difference.

In order to restructure companies in difficulty or to promote real paths of productive reconversion and reinforcement of skills and employability of workers, it is important that there are participative industrial relations, that workers are open to the challenges of change, and that there is an institutional and economic environment that is sensitive to the "territorial social capital" provided by companies and work.

While economic incentives and resources are without doubt important, the real key to the success of many of the cases dealt with in this study regards the maintenance and construction of a "chain of trust", which in some cases makes it possible to anticipate changes and in others to find satisfactory solutions for companies and workers, even in complex or compromised situations.

Laws and contractual support are effective where there is a clear vision of the future, together with energy and human skills that are able to make the difference and transform a corporate crisis into an opportunity for development, especially where the solutions remain collective, while at the same time enhancing the abilities of individuals.

The lessons learnt during this project are not, however, limited to company crises: the *turbodigitalization* of work, global competitive tension, the processes of delocalization and dumping teach us how all companies, small and large alike, will be subject to transformation, transition and change in the years to come.

Positions on the market which were previously considered "safe" may be threatened, and products that seem eternal may soon become obsolete.

The challenge regarding finding solutions to the economic crisis is strongly linked to the rapid technological innovation and the consequences of this change on the organization of work and on the labour market.

Considering the opportunities, not just the risks, of technological innovation is linked, at least in the cases analysed in this review, albeit with different degrees of intensity, to organizational innovation processes, customization of services, flexibility and quality of production processes, and the enhancement, within and outside companies, of the technical and transversal skills of workers.

In fact, protecting the territorial economy does not mean hiding away in protected antihistorical fortresses or defending guaranteed income, but rather it means following a "higher" path towards innovation based on the concept of social and environmental sustainability.

The cases included in this research show that these processes, in order to be successful and stable, cannot take place unilaterally or outside the industrial relations systems, but must be introduced through a chain which, starting from the workplace, will enhance the local production and supply chains.

Collective bargaining, which was under pressure during the years of the crisis and organized and regulated in very different forms and levels in the project countries and, in general, in the European Union, appears to be an important element in finding solutions to crises, and in the process of change, starting from the shared planning of continuous training and of transformations in the organization of work.

In situations, however, where productivity cannot be recuperated, this research highlights, at least in some cases, the possibility of self-entrepreneurship paths for workers or radical reconversions of productive processes of the enterprises, which naturally require significant resources and well-studied projects.

It is important, in fact, not to leave workers and entrepreneurs "alone" in the face of radical and complex changes. Potential, when transformed, must be maintained in the territories and in the company production chains.

3.3.2 Not everything can be transferred but a lot can be learned

The strengths highlighted provide some useful indications regarding possible action of the trade unions in the promotion of new employment opportunities in the face of corporate crises and phases of economic recession. In conclusion, we can refer to 5 aspects.

1. First of all, it is clear that if the cases we have studied are - as we said – to be considered "successful" cases, it is important to understand the meaning of the word "success". In fact, corporate crises have not always been resolved positively but it has been possible to prevent the company from closing or that workers lose their jobs. "Successful" means that industrial relations and the negotiation of social partners at the enterprise or territorial level have made it possible to find viable solutions to safeguard jobs at risk, to create new job opportunities for workers who have lost their job or otherwise favor their relocation through targeted interventions of active policy measures, continuous training, training and support in self-entrepreneurship, and innovative solutions to facilitate a workers buyout. These represent a range of solutions that combine defence strategies and the promotion of work that show the pragmatic approach of trade unions to problem solving.

2. Furthermore, these case studies cover a wide range of situations and solutions that are naturally linked to the characteristics of the company involved (size, productive sector, number of workers involved, unionization rate, etc.), but which are also connected to the performance of the local economy (impact of the crisis on the territory) and above all to the specificities of institutional and regulatory issues. From this point of view, our research demonstrates that the presence of a certain legislative framework can represent an already existing competitive advantage for the industrial relations system of a specific context. This framework operates at different levels (European, national, regional, local) and in different ways (through laws and through social norms, customs, shared practices).

Firstly, there are laws (in particular at national level) that work directly in support of industrial relations or indirectly, supporting innovative solutions to corporate crises (the French and Italian examples are significant in this regard). The relevance of these laws should provide food for thought regarding the relationship between (supporting) legislation and industrial relations (and their autonomy), and on the importance of developing transnational framework legislation at European level that will give countries indications (and useful tools); indications that do not reduce their autonomy but which support the development of industrial relations. In this regard, the European Pillar of Social Rights represents a (first non-exhaustive) step in this direction, which is important given it reiterates - in the final point (n.20) - that "social dialogue plays a central role in reinforcing social rights and enhancing sustainable and inclusive growth. Social partners at all levels have a crucial role to play in pursuing and implementing the European Pillar of Social Rights, in accordance with their autonomy in negotiating and concluding agreements and the right to collective bargaining and collective action".

Secondly, it is important to stress that the regulatory framework - in a broad sense - is not only composed of laws, but also includes: forms of social regulation (such as social and business networks), the

trust and social capital of a territory, which contribute to the shaping of exchanges and social relations in a territory. Moreover, to this we can add the importance of the degree of structuring of collective bargaining, the division of competences between first and second level (decentralized) bargaining, the representation and the representativeness of the unions, and participation rights. All these aspects influence social dialogue and negotiation between the social partners, local institutional actors and the workers. The Italian case regarding the Mantuan district on the one hand and those of KME in France and of Man in Poland on the other are particularly emblematic. They have shown how the social capital (in the first case), the structuring of collective bargaining at various levels, and the trust established between workers and trade unions (in the second and third cases) are an "asset".

3. A third indication, which is closely connected to what has been explained above, concerns the "posture" of the social partners and in particular of the trade unions. These case studies show how it was possible to obtain successful results - in the sense mentioned above - whenever the actors involved went beyond a simple unilateral posture. This was not only true for the trade unions, but also for the local institutions, the companies and the workers. The lesson to be learnt from the examples studied specifically concerns the social partners and above all the trade unions. Their task is to be an active part of negotiation process aimed at building trust between the parties and the possibility of constructive dialogue. It becomes a top priority to make alliances, involve different actors (local authorities, chambers of commerce, third sector realities, employment services, training agencies, etc), intervene collectively, and activate diversified levers. The tools needed to reach this objective are the classic ones of trade union action, starting with collective bargaining, but involving more generally the less structured and formalized practices of bi- and tri-lateral social dialogue, and of workers' participation.

4. The case studies also clearly show the importance of developing the participation and involvement of workers. This involvement is expressed in very diversified ways (from protests to the establishment of a cooperative which takes over part of the company's production process in a crisis, from involvement in retraining paths for employability to the option of self-entrepreneurship), and it can be developed in equally different ways (mobilization, information, training, participation in trade union decisions and industrial democracy). In all cases, the activation of workers represents an indispensable tonic that can revitalize the action of trade unions. The latter are asked to initiate an "enabling" action that promotes the commitment of the workers directly, which will support the union itself to innovate its mandate: changing from the holder of a "full delegation" to protect work to become a co-star, which helps create the conditions for workers to make their voices heard.

5. A final indication concerns the ability of all the actors involved, and first of all the trade unions, to adopt a long-term perspective. We first emphasized the importance of adopting a pragmatic approach to problem solving when faced with a crisis. However, this attitude must also regard long-term objectives in order to pursue the real development for companies, workers and territories. The role of industrial relations and of trade unions is not just to intervene in crisis situations finding solutions to the problems that emerge, but it is rather (or should be) to anticipate changes in direction, and express its vision of the future, of work, of the economy and society, remaining anchored to the cornerstones of the European social model. The case studies help to identify some of the ingredients of this vision: job protection also intended as the promotion of worker activation and creation of new employment, containment of the

effects of economic recession and together contributing to the revival (reconversion) of the economy, support for innovation, continuous training and enhancement of skills acquired, the central role of the individual and of sustainable development. All these ingredients can contribute to establishing a "high road" to international competitiveness, and which together aim to forge a new relationship between the economy and society. As a whole, the trade union must adopt a social, economic and cultural role for itself.

3.3.3. The Ristart project as part of the transition path towards the circular economy

In conclusion, the evidence gathered during the field research phase and during the dissemination seminars that took place in each of the territories involved in the project leads naturally towards the issue of circularity, which is currently discussed mainly in an economic sphere and regards the dynamics of production, consumption and disposal. This is because the model of circular economy insists, just as the Ristart project did, on the political will and on the real possibility of planning and implementing a more sustainable model of development; that is to say, a model that does not provoke a waste of resources and social and environmental degradation.

The local socio-economic systems we have examined have been affected by the recession in different ways and in different ways they tried, in some cases successfully, to plan a transition to new organizational and productive paradigms. In order to create the necessary conditions to start these re-launching projects from an economic and social point of view, full use was made of the responsible participation of political decision-makers, companies, workers' representatives and workers. Above all, what was needed was the conviction that, in spite of the fatalism that seems to accompany many industrial and district crises, the energy and resources present in society and in the local labour market could be rekindled and put back into circulation. Here we are referring to the energy and resources linked to the human and social capital of each person as well as the latent patrimony of trust, capacity for innovation, financial resources of any territory.

In these terms, the strong message of the Ristart project is that it is always possible, albeit difficult, to change the course of affairs and move towards envisaging sustainable growth through a different and better use of local resources. There are, and certainly there will always be, companies and productions in difficulty or even pushed off the market by competition, particularly if it is global. Nevertheless, these processes, whether they be restructuring or divestment, do not necessarily follow a trajectory of inexorable decline. This decline is inexorable if one considers, as is typical with an economic vision and model of linear economy, that all goods have ended their function once they have been consumed and must simply be thrown away. In this way, we will have human and territorial waste, which, once exploited, are destined to be abandoned³. However, industrial relations systems, and more generally the networks of relationships that innervate local societies, are virtually able to apply the solutions hypothesized today regarding the circular economy model to the management of the workforce, so that those who have been expelled return

³ Bauman, Z. (2004). *Wasted lives. Modernity and its Outcasts*. Polity Press, Cambridge; Pope Francis (2015) *Laudato si. Encyclical letter of the holy father Francis on care for our common home*. Libreria Editrice Vaticana, Vatican City.

to become active protagonists of their human and professional destiny, and the territory, so as to preserve its social and environmental vitality rather than considering only economic-financial issues⁴.

The promotion of the circularity paradigm and its application to the management of territorial crises requires, in any case, broad political, institutional and financial support at the national and above all supranational level. The case studies presented in this research are emblematic in this regard. Precisely when sovereign pressure begins to challenge the European dimension of social, economic and political life, there is a need for greater convergence of countries towards a shared system of protection and regulation of labour. Furthermore, it is necessary to work towards producing a cultural and institutional framework that defines the territory as a complex ecosystem, within which it is important to consider waste as a resource that can be recuperated, regenerated, and reused for as long as possible.

⁴ Bauman, Z. (2004). *Wasted lives. Modernity and its Outcasts*. Polity Press, Cambridge; Pope Francis (2015) *Laudato si. Encyclical letter of the holy father Francis on care for our common home*. Libreria Editrice Vaticana, Vatican City.