



**12<sup>TH</sup> BIENNIAL**

**EUROPE WORK EMPLOYMENT**

**ANTICIPATION AND PARTICIPATORY CHANGE  
MANAGEMENT IN COMPANIES DURING A PERIOD  
OF CRISIS AND TECHNOLOGICAL CHANGE**

**PROCEEDINGS**

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**RECORD OF THE PROCEEDINGS**

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## INTRODUCTION

❖ **Bogdan Iuliu Hossu**, President of Cartel Alfa

You are all welcome this evening to the dinner that will be held in a Romanian restaurant, and will feature entertainment with traditional music and dances. In a way different from the one we pursue in our work here, the men and women who will do us the pleasure of organizing this festive evening, will give a faithful image of our country, which is pleased to welcome you for this 12<sup>th</sup> Lasaire Biennial.

❖ **Roger Briesch**, Chairman of the Steering Committee of the 12<sup>th</sup> Biennial

First of all, thank you for the welcome extended to us here in Bucharest for this 12<sup>th</sup> Biennial which is in line with Lasaire's cycle of conferences devoted to "Europe, Work, Employment".

In 2008, when the draft European Constitutional Treaty was rejected, the 9<sup>th</sup> Biennial was devoted to the topic of recovery in Europe, the necessary commitment of the social stakeholders to issues concerning the aspirations of citizens and the implementation of common policies at European level. The 10<sup>th</sup> Biennial focused on the financialization crisis and its consequences, as well as on aspects concerning wage bargaining and the Europeanization of social democracy, and finally on the European regions and the sustainable development of democracy.

The 11<sup>th</sup> Biennial dealt with the current crisis in Europe, which is shaking industrial relations to their foundations, and explored solutions as well as the role that the social stakeholders can play to get out of the crisis. The question of the role and place of trade unions in an unprecedented transformational situation and the collapse of the work collective were at the heart of the discussions. Following the observation of this crumbling, the emphasis was shifted particularly to the need to maintain solidarity instruments to address hazardous developments that could prove devastating. We therefore underscored the importance of the representation of employees, at all levels. This representation, which is an option subject to dispute, is nonetheless increasingly accepted, but we still have to delve deeper into the matter.

It is urgently necessary to relaunch the social dialogue by broaching the conditions to give it concrete shape, something that is highly conditioned, whether people like it or not, by strengthening the European Union. This dynamic entails a more integrated Europe that avoids the excessive red tape and the systematic blocking inflicted by some Member States.

The objective of this biennial is consequently to continue the work undertaken, with a determination to gauge better and to deepen our reflection on the place of the social stakeholders in a crisis situation that persists. We shall examine, for instance, the means and resources needed to build solidarity when the wage earning becomes increasingly more heterogeneous, as well as the thorny problems concerning bargaining, and finally the involvement of the trade unions and possible compromises. We will accordingly identify lines of reflection and action to be pursued, particularly through case studies.

This reflection will be preceded by a presentation by a distinguished panel who will broach the problems of business restructuring in Romania from a broad perspective, particularly issues relating to the causes and economic, social and technological consequences of these transformations.

In the course of this 12<sup>th</sup> Biennial, we shall look into nine case studies of multinationals established in different European countries, so as to promote innovative actions concerning worker involvement. We will endeavour to help their representatives to anticipate changes in companies and to promote the social dialogue and transnational cooperation against the background of restructuring and change characterized by a large number of mergers, acquisitions and relocations, and to be attentive to the effects of outsourcing on wage earners.

Given the number of merger / acquisition operations at world level, 2015 was a record year, with more than five thousand billion dollars, i.e. a 35% increase compared with 2014. Europe has remained at the level of one thousand seven billion overall, but France and Germany show a clear drop in the financial size of the operations, whereas the number of operations has not dropped, and has even registered a 12% increase. We shall not limit ourselves to financial issues, but will try to shed light on the financial and industrial repercussions in the different countries.

As underscored by the European Commission in its communication, there were 250 restructuring operations

in the third quarter of 2013 accompanied by the announcement of 57,000 jobs cut and 27,000 jobs created, i.e. a net loss of half the number of jobs. We plan to assess the results, progress and shortfalls for this communication, which was intended to define a set of recommendations for companies, to propose new effective measures for workers and companies.

We shall broach some ten issues in particular, based on the experiences of the last ten years, and will delve into: the factors that caused these major changes in companies and groups; the intervention methods used by employee representatives; the way to distinguish what falls under bargaining or under consultation; the level of intervention of employee representatives; the means and resources at the disposal of representatives to gain technical command of the issues in anticipation or intervention situations; the way the employee representation bodies are set up; the positive or negative development perceived by employee representatives concerning their capacity to anticipate and intervene in the face of changes in the company and in the group; change of behaviour by management, in line with their wish to include or keep worker representatives out of the management of these changes.

Our work method is based on qualitative studies pertaining to a sample of multinationals present in various Member States. The target countries are Germany, Romania, Spain, Italy and Belgium. Studies are conducted in close relationship with employee representatives and the respective management of companies.

We are entering in the second phase of the preparation of this biennial which started in October 2016 and will continue until next October. Three seminars have already been held (Madrid, on 24 October 2016, Brussels, on 8 December, and Rome on 27 February). The next seminar will be held next July in Frankfurt. The studies will then be examined in France at the concluding conference. The conclusions from the five seminars will be drawn in a third phase, with ca. 150 participants. Based on the work conducted jointly, these conclusions should make a significant and useful contribution. Civil society organizations and decision-makers will adopt them, we hope, to breathe new life into the indispensable European recovery.

We are going through an ambiguous phase in Europe, fuelled by uncertainty which goes as far as to question democracy here and there. An elusive and dangerous deleterious climate is developing, particularly in France, on the eve of the presidential elections. In any event, whereas the international situation is extremely worrying, and the global ambitions of some have found a common adversary in the European Union, we are focusing all the more on the importance of the Union which, though ailing, still stands in the way of their hegemonic ambitions. Their reticence therefore simply highlights the political and strategic importance of the European Union. On the other hand, as we have reached the most decisive point of the campaign in France, we actually see that candidates, including some important ones, have gauged the attachment of France to Europe and to the euro, adapting their programme and discourse to this parameter, which they see with increasing clarity.

The involvement of Europe and the work we carry out, are helping bring we about recovery we want to see. Ever so close to the realities, concerns and wishes of wage earners and all citizens, this recovery will concern the social dialogue, the involvement of workers and civil society in all the processes. This recovery will add another brick to our structure to bolster the direction and policies of the European Union, without which nothing would be possible.



**PANEL ON RESTRUCTURING IN ROMANIA SINCE 2008 :  
CAUSES AND ECONOMIC, SOCIAL AND TECHNOLOGICAL CONSEQUENCES**

❖ **Alexandre Rus**, President of the METAROM Federation, Romania

I shall briefly go over what has happened to companies in ferrous and non-ferrous industries in Romania. Up to the 1990s, we had more than 150,000 employees. Today, there are only 31,000 employees left. The restructuring was consequently particularly massive, notably in terms of reduction of activities and production capacities. The challenge in this industry is currently daunting, because we have reached the point of trying to save what can still be saved. I am referring to production sites in particular, because we are currently trying to pool forces with other branches of industry, so as to be more numerous, have greater force of action, and get our voice heard.

I continue to work in a multinational company, Tenaris, which has a European works council. We have also managed to promote and develop an international employee committee. Tenaris is part of a larger group, Tehint, which specializes in tubular products for the oil industry – in particular metal tubes inserted in drilling pits to consolidate them, and the automobile construction industry.

In the trade union federation which I represent, the companies live exclusively from the contribution of private capital: there is not a single company remaining in which the State has a shareholding stake.

❖ **Cristian Ionescu**, President of the COMPIROM Federation, Romania

I am honoured to be here among you, and hope that the message I bring from the employers will please you. I have been working in cement for more than forty years, like many of you. I created the first Romanian industrial group, Ronkin, an integrated group that was privatized and taken over, before moving to the Heidelberg Cement group, which was the outcome of the merger of three groups: Lafarge, Holcim and Italcementi. Now that I have withdrawn from the group, I continue to be the president of the employers' group in the cement industry, but also of the employers' federation for construction. I am also the first vice-president of the national federation of industry COMPIROM.

We got off to a rather modest start after the privatization, because we did not know all the basic rules governing the free market economy. We learnt as we went along, starting by an open dialogue with the trade unions from the outset. We understood that every company operates on three converging fronts: the money market, which is necessary to create a business; the market of the product or service; and finally, the labour market. Where do the respective interests cross? Rule number one: if we have not all gathered at a crossroads, someone is bound to be unhappy. If the grumbling comes from financing, capital will flee and go elsewhere where the margin will be higher. Then, the market of the service or the product is governed by free trade. So we can no longer charge the prices we want. We are faced with competition, where it becomes necessary not only to be in the zone where we can provide a product at a competitive price, but also of such quality that it can stay the course. Otherwise, we get out of that market. Finally, workers must be satisfied with the working conditions, salaries and benefits, particularly as regards the direct competitors. They then provide their support and remain loyal to the company. In such a case, the interests converge at the same "crossing" or "crossroads." A business can develop in such a case. When we understand the meaning of this complex organization, we can understand the ever so particular importance of a partnership with the workers. No business worthy of the name could flourish without such a give and take relationship.

Discussions with colleagues and trade unions present during the signing of collective labour agreements and wage bargaining at group level have been very open and frank. This is important, because not everything has to be reduced to a question of salary. Due consideration must also be given to the atmosphere at work as well as to longer term and even career prospects for everyone. Development must become feasible for the company and for its employees. The fact that we did not have to manage general problems, whether strikes or other labour conflicts, moreover shows the value of the foregoing observations: the proof is that the roundtables held each year to explain what the company has done in terms of investment, modernization and new technologies are fruitful.

At the outset, in the 1990s, the cement industry had some 10,000 employees. It now has only 3,000 (aggregates and concrete). The reduction has been significant, in other words. It did not occur all of a sudden, however, but as a result of negotiations with the trade unions, to which we explained our approach. We started with voluntary redundancy, granting some salaries (twenty granted in all) so those who were to retire soon and leave the company took those salaries by way of compensation. We also reduced costs by outsourcing part of the activities, giving priority to non-core activities. As a general rule, we made sure that these new companies were managed by former employees

who had moved abroad, so that they could continue to cooperate for certain sectors of the group's services.

Cement plants in Romania were at the initially designed as a hybrid organization that combined lime and asbestos, as these two products are complementary. The first question raised was the outsourcing of asbestos-based cement, because this product had become problematic, and thus refused more and more on the market. We then moved to outsourced sales for lime, until cement remain the only main product.

Every operational segment was analysed in fact to determine what the company could outsource. The cleaning services, security staff, and transport services were designated first, and gradually we concentrated on running quarries, after obtaining the licence. At that time, we joined forces with companies that provide specialized services and our activity not only became more rigorous, but also of superior quality.

The outsourcing of many services reduced our costs considerably. We focused everything on pure production. We encouraged employees to create companies which would enable us subsequently to assume the activity and master it so as to make it more efficient. Obviously, each of these persons which embarked on such a venture wanted to improve the efficacy of its activity. If we compete with other companies, whether for cleaning, maintenance or operation, we do everything to become more efficient, and we succeed.

Because of initial shortcomings, we were particularly concerned about training for people in charge of production and for management. We therefore proceeded to an upgrade to reach the higher level, which enabled us to communicate with the workers concerned. Our aim is to give them the means to understand what is happening, particularly on the modernization front. Changes relating to new technologies, which had not been implemented yet, are both costly and economically interesting, inasmuch as they brought in a great deal of computer operated activities that make it possible to do without a position occupied by a human being. The jobs themselves have changed, in fact, and the profession of the operator in charge of computers not only has become more complex in itself, but it's the machine that attends to most of the tasks.

We therefore decided to hold extensive talks with the trade unions so as to understand better the concerns of workers during this period of change, including as prevention and safety at work. The means and resources deployed and the methods used have changed radically. It is one of our priorities. Furthermore, there has been no serious occupational accident in nearly ten years. This is an extraordinary feat and we applaud it. Conversely, this type of accident still occurs in outsourcing contexts, at sites where requirements are not as stringent. When we negotiate with the trade unions, we proceed in a transparent manner concerning the figures and developments to come, the study of the market for our products, the position of our competitors, etc. We expect in return that they do not make inordinate demands concerning wage rises. It is best for things to be said, especially in the case where charges are going up while prices remain the same or even go down. Such an economic situation could unfortunately drive us out of the market if we cannot strike a balance. Whereas the workers have never made reckless demands, we have always tried to do a maximum for average wages, which are 50% to 80% higher by comparison to the average wages in the country. The company pays a decent wage to its employees and the workers do not want to leave the company, while others are waiting to be hired.

We have a dual education system, in fact, where we train professionals for our factories. We want to aim at higher education. That is why we are among the few companies who accept students for summer internships. Since I am the manager, the company has concluded partnerships with the universities of Bucharest. We also accept last year students whose internships are remunerated and who spend their workday alongside a company employee. It is an opportunity, and at times one of the jobs discovered here will become an ambition for those who graduate. This stint in the company encourages them to come to us, and we never lack staff. Some 20,000 apprentices in all have come to our factory.

Personnel training and development and productivity growth are essential. The workers who come to us are not only well received in our group, but they are then in demand abroad to put some of our systems in place.

❖ **Florentin Iancu**, President Of Union Nokia-Alcatel, Romania

The last eight years of my life have been dedicated to trade union action, particularly in the federation that was created in 2009 in Alcatel Lucent. Our organization does not hide its ambition of becoming a social dialogue partner at national level in the IT sector.

It would seem that many trade unions in Romania consider this sector only through the prism of debts – if not with the ever growing contribution to GDP. That may seem unusual. I think that everyone here agrees that the

social dialogue is essential, irrespective of the sector of activity, and that the partnership between trade unions and employees is necessary to help career advancement for employees and success for the company, and generally to the positive momentum of the economy. We have seen certain breaches between work and capital in recent years that have had negative effects on the labour market. We must grasp that things cannot continue in this way, particularly in Romania, where work today has a reduced share, as earnings from gaining employment amount to ca. 32%, compared with the European average of 68%.

The IT sector in Romania has registered sizeable growth, with nearly 100,000 employees. Bearing in mind that support service centres fall under the IT sector, this number can be doubled. Unfortunately, the employees are underrepresented, with the exception of former ad hoc trade unions in the fixed telephony sector, which was privatized recently. There is no other way as we see it to ensure representation for this sector, because it has its own dynamism, and is even a flagship sector. I was reading just today that a telecommunications company would soon embark on a new wave of redundancies. The need for a constant social dialogue is being felt – a dialogue that must be able to address these challenges.

Romania has specific problems in this sector, such as the migration of the workforce. That is why, at Nokia and Alcatel, we tried to create a favourable environment in which employees can grow, and where they have career prospects. Fewer employees thus see emigrating as an attractive option. Implicitly, that enables us to stay competitive. The second aspect is the distribution of activities in the sector, because very few people know what is going on outside, including the major newspapers. Finally, the boundary between IT services and support services is maintained. We think that ca. 13% of the activities concern research and development, i.e. information technology proper. The rest of the activities are grouped under support services, and that has a double consequence. On the one hand, on workers, through the prism of quality labour relations, but also on the economy in general, because these services hosted by Romania have only low financial value.

We started from scratch with Alcatel Lucent, but are now present in four companies. In 2009, we managed to negotiate the first collective employment contracts in Romania. The former Alcatel Lucent was the first international company to get established in Romania. If it still existed, it would have celebrated its 25<sup>th</sup> anniversary. During these years we managed to create a structure that comprised some 1500 workers in the IT sector. We gradually developed a regular social dialogue with all the employees. We are working for Romanian colleagues under the status of a departmental – not a sole – trade union.

If we look at the last ten years of Alcatel Lucent, we find relevant information elements. First, in 2006 Alcatel merged with Lucent, an American company, which did not yield good results, and then in 2016, the group was sold to Nokia. Alcatel Lucent has now disappeared after a long history of fifty years. Problems multiplied after the merger in 2006. These complications led to restructuring plans and internal reorganizations making it inevitable to have to transfer 700 employees to another company, not very well known at the time. It was an Indian company active in the field of outsourced services. That is the origin of our structure and of the negotiation of the first collective employment contract. In 2009, we had to call three strikes. The collective employment contract was signed in a rather short time, because the company was pressed by transfer decisions that could have been delayed, if we had not reached an agreement. That is when we understood how important it was to be part of a trade union and to have representatives who defend our rights, a dialogue, and to be a daily partner in the company.

Since 2009, we have been confronted with a restructuring cycle about every other year. In 2009 the company had 2,200 employees. Today it has 1,500. But what really counts is that through collective bargaining, we obtained a system of social protection similar to that in France. It comprises a financial part, as regards training, and social coverage of which we are proud, since it is stable and can include compensation that can go up to 14 months' pay. It is a substantial figure when a new reorganization cycle entails redundancies practically every other year. According to the information obtained through the social dialogue in Nokia, about 250 to 300 employees have left with this social package. This social dialogue changed profoundly the way of working locally. Beyond the internal reorganization that was carried out, the more general organization was changed. We went from a local to a regional activity, reducing the bargaining at the local level in the process. Things are not made any easier when those who have to take the decisions are not in Romania, because it becomes all the more difficult to impose a pace, particularly as regards the rights of workers.

Since 2009, we have monitored closely and negotiated the transfer of more than 1000 employees to other companies to ensure an employment contract for them that guarantees protection against social dumping or, put another way, a low wage. We have tried to have a satisfactory organization. Many employees need only submit a single CV in their life, and they have worked for 4 companies. Unfortunately, or fortunately, we continue to work for people who get unionized, as we have always done. It is our way of protecting our jobs and of being well organized, in the

hope of not having to witness an umpteenth transfer, or at least make sure that workers do not lose on the financial front. And we fail at times, as it happens.

The development of subcontracting is a source of concern. This phenomenon constitutes an area that we cannot organize according to our criteria. Moreover, very often, resorting to subcontractors for the parent company becomes a sort of chimera, whereby the wage-earning employee is blackmailed. For example, employees in the IT sector enjoy a discount: they are exempted from paying income tax, so resorting to a subcontractor in the parent company is tantamount to a 16% increase, but no one pays it. Between 2010 and 2014, four years during which salaries did not increase, we tried to be creative by seeking methods to add more value to employees, and at times we succeeded, at others less so. As a general rule each reorganization was planned with a view to optimising the internal organization, but without taking into account that the activity, like the employee's task, is not necessary identical over the years. It is necessary to promote more access to continuing training and employee growth, and to prohibit having to work with a certain technology one day and with another the next. Let us bear in mind that at times workers who have mastered a certain technology are made redundant to be replaced by others who are proficient in another one.

For our part, we aim to anticipate technological changes through collective employment contracts. This boils down to ensuring that the employer is required to finance some vocational training. For instance, if Nokia decides to invest in a type of particular technology in three years' time, then everything must be put in place so that new workers are taken on. Unfortunately, in Romania, we are a service centre for the moment. Many studies have in fact shown that the jobs in the IT sector are on the front line: as Romania is turned more towards support activities and not towards creative activities, research and development (only 15%), it is threatened more by automation that could make certain jobs disappear.

At the time of the merger with Nokia, after the takeover, we started to establish certain guidelines concerning social impact so that Romania would not be significantly affected. Scarcely forty people had been made redundant, but we managed to reassign them elsewhere in the company thanks to vocational retraining. Unfortunately for Romania, some decisions were in favour of replacing the research and development activities, whereas the support services continue to account for the lion's share. This is a source of concern because this type of decision is not geared to the long term: in fact, for support services, people are hired for 2, 3 or 5 years, or even 1 year, without any guarantee of re-appointment.

We are currently negotiating a collective employment contract with the new management of Nokia. We hear clearly the determination to follow the rationale of social dumping under the fine rhetoric. We have a different culture, we think differently from them, who say they are worried about the many blows that assail them from all sides. Up to now, we have obtained a month and three weeks of bargaining, but we plan to make more progress in May. We have no idea at this time how the situation will play out. On the other hand, we note that the takeover is accompanied by pressure exerted on the employees. It is therefore strictly indispensable to coordinate the social forces at European level, so as to attenuate the effects as much as possible.

❖ **Marcel Spatari**, Director and economic expert, Syndex, Romania

It is important for these subjects to be discussed at the European level. Syndex has for that matter played its role of expert of the European dimension for the European works council of the UP group and for the Lafarge-Holcim merger. It is the only economic expert with offices in several European countries, with 450 experts in its country of origin, France, to which are added representatives in the UK, Poland, Belgium, Spain and Romania. We work not only with trade unions on certain restructuring assignments, but also at the local level, where we support trade unions in wage negotiations at company level. In Romania, we work essentially in the metallurgy and retail sectors.

We propose to identify the causes and economic consequences of restructuring since 2008, within the boundaries of today's topic, which are very broad. Among the main causes we can identify first of all the low tolerance of investors concerning the profitability of assets in Romania. Investors and shareholders (most often multinationals) had pre-established business plans according to the relations with their partners, with banks, shareholders, suppliers or customers. But when the crisis erupted, the business plans turned out to exceed reality. The simplest solution for decision-makers was to reduce the activity or approve restructuring operations which hit workers hard.

We can then point out that companies, but also the trade unions, did not have the instruments they needed at the time to support companies in difficulty, or at least not in sufficient quantities. No partial unemployment, no retraining of employees through continuing training, no government aid mechanisms, no public contracts or state aids to find new opportunities when activity waned. Another reason that made restructuring operations extremely negative was the absence of trade union means and resources for those negotiations. In saying this, I am referring to the

capacity to speak on those issues and to master the economic competencies so as to be able to seek and propose alternative solutions. In a large number of areas, the trade union leaders have worked in the sectors at issue, so in metallurgy, for instance, we have to deal with engineers who know their job. But when they have to broach economic subjects, they lack knowledge. For this reason, most of the time, they tend to take information that management gives them at face value.

In Romania, legislation has enabled external experts to help the trade unions in such cases by guaranteeing that the companies themselves pay for their services. Otherwise, the trade unions would not have the necessary resources to call on such economic expertise. One of the well-known success stories is the case of Bosch. By liaising with the works council, Syndex managed, through talks held at European level, to convert and get a factory that used to make components for diesel engines to make solar panels. The initial decision was to simply close the plant, but with a few hundreds of employees, we showed that there are collective and not only individual skills. So we were able to proceed with the conversion.

What is the outcome today? The economic context in the beginning of 2017 was positive. In 2016, we noted a 4.9% increase in GDP, i.e. the clearest increase since the beginning of the crisis. That said, it is generally based on the consumer price index, which is not stable. We can manage to protect the work premises to the extent that said consumption is correlated with production growth. However, it turns out that the share in production growth accounts for only 0.4% of economic growth. Industry therefore represents only 0.4% among the 4.9%. Put another way, as consumption accounts for the largest percentage and Romania imports what it consumes, stocks increase, as does the risk of seeing this growth reversed. Incidentally, it is necessary to specify that consumption has been supported by administrative measures, such as the reduction of certain taxes and levies, or the increase of the minimum wage – which many companies consider as being one of the causes of redundancies in 2016. In reality, the causes may be very different, because a wage increase has a positive impact on consumption.

In 2016, more than 170,000 workers were hired. Against the background of this increase, it is remarkable that the average profitability went up too. Nevertheless, in this period of economic growth against the background of an increase in the number of workers, the company registered an increase in the profitability of human capital of more than 12% in 2016. In connection with this human capital, the number of monetary units generated per employee is considered to be distributed to the remuneration of employees concerned or all the employees. We thus noted that redundancies stabilized in 2016: fewer than 3% of all the employees concerned who left the country did so because of redundancies.

And yet, in spite of the positive economic context, we are witnessing restructurings. For instance, the case of Intel, already mentioned, in Bucharest. Energy is the most affected sector with a very large number of redundancies. The sector of components for the automobile industry was also affected, even though it is growing. In that case, following talks with the trade unions, it was above all a matter of transferring employees to other units, with the risk of a drop in remuneration into the bargain. In the case of a plant which was on the list of closures, with 350 employees made redundant, the management stated that the company was affected by the increase in the minimum wage. We think that the devaluation of the pond after Brexit had a more significant impact on the company than the minimum wage increase in Romania. Be that as it may, restructuring operations have been announced for Intel and others, particularly in the UniCrédit banking system, with an overall plan that concerns 14,000 jobs – including a certain number of jobs that will probably be cut in Romania.

I would like to add some information for other European countries present here today, so that you can get an idea of the legal and procedural framework applied in Romania for the collective redundancies and restructuring under way. To begin with, the Labour Code provides that the elimination of a job has to be justified by an effective, real and serious reason. In the company's organizational chart, a position must disappear concretely, i.e. not pertain to a change or conversion. Talks have to be held between the trade unions and management; the trade union is ideally assisted by an expert. It is regrettable nonetheless that the trade unions negotiate after the decision has been taken; they can still negotiate at that time, but only about packages of securities, so there is no real connection between the two. Decisions are taken at the level of the European works councils, which are mildly involved in this process in the best of cases; we can hope that the representatives are stronger. This development calls for training for representatives and support for them by experts.

We must specify that the role of the partners in the social dialogue in Romania is limited in that the economic dialogue with the trade union is engaged only once a year, most of the time, during the collective wage bargaining. The dialogue is therefore based on very general indicators and the trade unions do not necessarily know the company's strategic plan. Their vision concerning the risks that may arise is virtually nil. Under such conditions, they are deprived of their anticipation capacity for all intents and purposes. We nonetheless know how decisive the management of the

effects of restructuring is. That is the reason why an economic dialogue must be engaged in with the trade unions and preferably include an independent expert who has access to the information. This access must be guaranteed by agreements between the company and the trade unions.

Redundancies tend to be individual. In general, no account is taken of collective competencies. The trade unions must however have this type of vision in order to generate work group synergies in the collectives concerned. One single CV would be submitted, one time, and we would have a vision of the group's CV. We have even developed a site CV analysis instrument used to present collective competencies. It is a key element during discussions on restructuring operations. In Romania, employee protection is guaranteed in the collective contracts. Unfortunately, the legislation does not provide compensation being paid automatically in the rights of the employees, so it must be stipulated in the collective employment contracts. In the case of restructuring, workers should be helped also after they are made redundant, with advice and support to find another job. For the moment, assistance is often limited to negotiating compensation.

Syndex has lines of approach for each case, bearing in mind that our vision is global, because it supports many European works councils. We will be particularly at the disposal of Romanian trade unions concerning the performance of their companies.

❖ **Stan de Spiegelaere**, Researcher, ETUI, France

Corporate restructuring in Europe has resulted in 25% job losses since 2008. 1/3 of these companies were not in a position to draw support from the European work councils, for the simple reason that, in spite of the legal requirements to do so, no such council did exist at the time.

Democracy as such does not exist any say within companies walls but it remains that effective means of enforcement for social democracy are needed.

Even if employees and their representatives are not allowed to express their views concerning decisions reserved to the company's boss, the staff retain the right to have their say. The EWC should be able to provide relevant advice to the employees representatives in order to be ahead of the game when it comes to figuring out the right solutions to be promoted at the European level and to shore up the involvement of local committees.

ROUND TABLE IN THE CASE STUDY OF THE LAFARGE-HOLCIM RESTUCTURING

❖ **Joël Decaillon**, Vice-Prisident of Lasaire, France

The merger of LafargeHolcim concerns a very capital intensive and relatively little concentrated industry. Nevertheless, it is necessary to take overall stock of the situation and consider that LafargeHolcim represents 10% of the world production, whereas more than half of production is in China. The Chinese giant China National Building Material (NCBM) came into being at the time of the LafargeHolcim restructuring. It is an element that counts for the future of the sector.

Originally European (Holcim being Swiss and Lafarge French), the two groups have a strong presence in Europe, and moreover have sites outside Europe. The two of them employed ca. 130,000 people and generated a turnover of CHF 30 billion. Once the merger was completed in July 2015, the new LafargeHolcim group, number one in the world for cement, concrete and granulates, was to generate ca. €35 billion – a turnover that corresponds to the total of some one hundred countries. The managers of LafargeHolcim were aiming to make €1.4 billion in savings based on a synergy effect upon completion of the integration phase, which took about 18 months.

To get there, the two groups had to overcome a certain number of obstacles. First of all, satisfy the European Authorities as regards competition law. More specifically, assets worth €6.5 billion were transferred to the Irish group CRH. There was also the consent of the American Federal Trade Commission, which gave the green light for the merger of the two groups in May 2015. It was completed against a background of great complexity, as there was significant financial turmoil and the exchange parities were quite difficult at the outset. It led first to the resignation of the CEO of Lafarge, Bruno Lafont, who had considered at the outset that the merger would be carried out on an equal basis. In the end, he was unable to withstand the pressure. Then, there were problems with the second shareholder, a Russian cement magnate, for whom a compromise had to be found.

This turbulent merger was also due to the economic turmoil that had already started to be felt during the strategic changes of Lafarge in the 2000s, when the group embarked on a deliberate external growth policy. The first difficulties arose in December 2007, when Lafarge acquired the Egyptian cement works Orascom (present in Africa and the Middle East) for €8.8 billion. The operation was financed by borrowed capital (€6 billion), and through an increase of capital (€ 2.8 billion). At the time, Bruno Lafont, the CEO of Lafarge, was convinced that emerging markets, particularly those that earn their income from oil and gas, were the new Eldorado of cement.

This acquisition, which was made a year before the financial crisis, did not produce the expected result, all the more so as extremely devastating conflicts erupted in the region, particular in Syria. The growing influence of Islamic State also played a sinister role and remains the proof of a situation that has deteriorated considerably, because Lafarge was forced to pay taxes to Islamic State. This episode caused an uproar, to which the management of LafargeHolcim reacted by putting in place a more rigorous risk assessment structure. But issues of ethics and social responsibility continue to be a challenge for the future of the group, in as much as the construction of the so-called “Trump Wall” between Mexico and the United States has also surfaced in the meantime. A multinational group cannot allow these types of issues to be seen as underlying its strategy. As the financial crisis connected to the Arab Spring virtually ruined Lafarge’s plans (€14 billion in debts), there was no alternative but to adopt a new approach to attract investments and find a viable strategy.

Holcim is particularly present in India, but also more present outside Europe by comparison with Lafarge. They too are in search of far higher growth and the fact that they have a Russian shareholder plays a major role in their capital. By merging, Holcim dilutes its Indian foothold in a vaster whole, and the group also dilutes its Russian shareholder. This is clearly what is driving their restructuring strategy which is geared first and foremost to the effect of size. The compromises in management are illustrated by the choice of a CEO named Eric Olsen, who is from Lafarge, but is an American national. The fact that the two corporate cultures of Holcim and Lafarge are so different, with distinct strategic organizations, but heading towards a major reorganization of the group’s management, can pose a problem. This difficulty led to a sizeable number of voluntary departures in the management of Lafarge.

The social impact is a reality and has been further aggravated by the establishment and subsequent reinforcement of a shared services centre in Slovakia, to the detriment of the French headquarters, followed by several types of proposals, particularly concerning the reduction of the workforce abroad, and a certain number of jobs.

Two ideas are to be underscored to return to what Mr Ionescu had to say. The first key problem in a globalized group and in this sector in particular is outsourcing. An episode in India which has given rise to a serious

social controversy is telling for the history of the group, at least that of Holcim. More specifically, an acute social conflict took place and was resolved only after several years of legal conflict and industrial action initiated to get out of an iniquitous situation in the use of temporary employees in the group's plants. The Indian court ruled several times against the management of Holcim. It is necessary to gauge what that means. Workers in the sector die each year from professional diseases. This reality has to constitute an element in our more general reflection on restructuring.

During the negotiating process, an agreement on method was reached for two very different situations: a rather elaborate Lafarge works council, and a Holcim works council that met the strict minimum of the European directive. First, the two works councils came out against the merger. Then, CRH created new difficulties. In particular, in the social dialogue with the Irish management, and the conditions of transfers of assets, since it turned out that the social conditions of CRH could be particularly formidable on that front. The reaction of the trade unions was remarkable, illustrated by days of action throughout the world. These actions included in particular interventions with various institutions, calling on MEPs on several occasions, and hearings in the different ministries, initiated in part by the Building and Wood Workers' International (BWI). In the end, in spite of written commitments undertaken by management, the merger took place on 15 July 2015, with the works council sticking to its negative opinion because the restructuring problems had not been clearly broached, in particular issues concerning employment.

Following this merger, a new agreement on method was concluded to gain the consent of the works council. To that end, a special negotiating committee composed of 30 people went to work to reach an agreement, signed last March 27<sup>th</sup>, by the SNCB officials of LafargeHolcim, with the European Federation of Building and Wood Workers (EFBWW), and the coordinators of the works council. A new works council agreement now makes it possible to create an active situation in the 19 countries present in the Lafarge European works council. To conclude, the establishment of a global consultation structure is worth noting, which has been brought up in the European works council for that matter. The last consultation of this type occurred in October 2016. It makes it possible to consider a future global structure at the level of the LafargeHolcim group in particular to try and deal with certain issues such as compliance with the fundamental ILO conventions by the group or health and safety conditions due in particular to outsourcing problems.

A statement was drawn up by all the representatives. It is worth noting – and this is far from a detail in my view -- that management accepted to see to the organization of international meetings. When the considerable logistics that entails are borne in mind, this is clearly no trivial matter. It shows a real will to move forward. The next meeting will probably be held in India. We can thus consider concretely that it is necessary to have a European vision, and that the European works council can provide support for the establishment of a global works council that would focus in particular on issues to do with ecological constraints, public health and occupational health – as well as initiatives concerning research and development – major issues through which trade unions can bring to bear their vitality and capacity to solve the problems for the strategic organization of companies.

❖ **Jean-Michel Gillet**, Coordinator of the Lafarge-Holcim European works council, France

Personally, I am here to comment on the way in which European works councils and trade unions tackled the merger of Lafarge-Holcim, which we first heard about in April 2014. I shall broach the issue in two steps, in chronological order: the first, from April 2014 to July 2015, the date of the official merger, then from 2015 to the present.

We should bear in mind that at the outset, the two groups, which have two very different cultures, particularly as regards the social dialogue, were in direct competition. In other words, it is impossible to proceed with a merger if those issues are overlooked. We should note, however, that the two agreements of the works councils are moderately satisfactory voluntary agreements. Conversely, independently from the agreements, the social dialogue policy of Lafarge is far better by comparison with Holcim.

The two European leaders announced their merger in April 2014, indicating that it would take a year and a half. At the same time, we were informed that it was out of the question for us to initiate an information and consultation procedure without having defined the work method. It is for this reason that it was suggested from the outset in the Lafarge works council to conclude an agreement on method, which was concluded the following month, i.e. May 2014. This agreement provided means and resources to each European works council: initially, we reached an agreement on method at Lafarge, which was then tailored for Holcim. The tools and means developed included monthly meetings in select committees, or enlarged select or plenary sessions, for a period up to the actual merger. It also entailed having recourse to an expert. For a merger of this size, the members of the European works council naturally need information, but do not always have the time to broach all questions of an economic, social or financial nature. We therefore confirmed our willingness from the outset to work on the merger, provided we were assisted by an expert. At Lafarge, the consulting firm Secafi was already working in the group works council in France; Holcim



designated Syndex, with which the group already worked.

Other means implemented include the systematic translation of all documents from meetings and reports, in all the desired languages, at the expense of management. The latter even undertook a commitment for trade union documents. Similarly, it financed all the meetings held apart from management, including preparatory meetings; and the consultation meetings between the 2 select committees of the European works councils also. Means were there allocated to coordinate the trade union action of the European works councils because it had been decided from the outset, that it was out of the question to have each works council work in its corner. We made sure that the select committees worked jointly, under the aegis of the EFBWW in Brussels. To that end, we met every month to prepare the plenary sessions, with management and the select committees.

We then defined a certain number of consultation and information steps. In fact, the management of Lafarge had announced its willingness to consult us on an agreement in principle relating to the merger. We declined, by pointing out that we did not work that way. Within the meaning of the European directive, the consultation and opinion of the European works council come into play once we have all the information in hand, i.e. the multiple consequences of the merger. It seemed obvious to us to refuse to give an agreement in principle at the outset. Conversely, we demanded access to information at each stage of the merger. From there, we had to define a certain number of steps. The first was to obtain certain answers to our questions: what are the stakes of the merger? Why this merger? Then, as the two groups were deeply rooted in Europe, they absolutely had to dispose of activities in order to satisfy the competition authorities. Here once again, we demanded information on the transfers that had been actually granted, with an information step on the public exchange offer. The agreement on method comprises also a stipulation that management undertakes a commitment to a certain number of intentions. Once these steps had been taken, we thought we were ready to give our opinion.

We wanted to see a European works council created upon the completion of the merger, pursuant to Directive 2009/38; then, an international framework agreement; and finally a commitment from management concerning the social minimums that could be challenged by the buyer. This was the content of the agreement on method, signed in May 2014, which helped guide the work of the two European works councils until July 2015.

Europe is particularly affected by the merger, because the two groups are established there. There are many factories in different countries, as are the two registered offices, in Switzerland and in France. The two major problems which we were able to identify are the following: first, the question of transfers, as it is necessary to comply with the requirements of the Competition Authorities. This means that a certain number of salaried employees are concerned. We believe that we have to go before the European Commission without fail to obtain guarantees for the works councils. If employees are transferred, it is vital for us to have guarantees about their social conditions. The second aspect on which we insist under a merger has to do with synergies as well as with access to information, in particular in order to get to know the social dialogue model that will be initiated once the merger has gone through.

To negotiate the transfers, we went to meet the Competition Authorities in Brussels on two occasions. The European works councils can actually be heard by the Commission as parties concerned. When we learnt that an industrialist was going to acquire the activities being disposed of, i.e. CHR, we were rather satisfied, inasmuch as we preferred having to deal with someone who had an industrial project in mind, rather than with investment funds that had acquired the activities in order to resell them once sizeable capital gains had been made. Nevertheless, we were aware that the European works council of CRH had an operating fault, which fed our concerns about the establishment of the future social dialogue. In the end, we had difficulties in defining the social conditions of employees that would be taken over, because CRH in general undertook commitments for one year, and not more, and in a very hesitant manner at that.

The same difficulties were encountered to obtain quality information in the impact of the merger in advance. Whereas the group had announced synergies at the outset, the number of jobs affected and the organizations at issue were not treated in a concrete manner. When we asked about what the impact would be on the factories, they told us that there would be none, because only the corporate function was to be affected, but not the plants. That was false. Finally, aware of the existence of the shared services centre in Slovakia, it seemed to us self-evident that it extended to LafargeHolcim. Announcements had been made about jobs affected, but not necessarily in terms of jobs cut, estimated at 660 jobs in France, Switzerland and Austria. We knew that Spain would also be affected, but were unable to quantify that impact once again.

We also demanded that the European works council be ready at the time of the merger. Accordingly, in May 2015, we were in a position to submit a draft to management to present the framework of the future European works council according to our wishes. Management did not follow us, but it did undertake a commitment saying that as long

as there was no new European works council, the former European works councils would continue to operate. To continue, bearing in mind that the effects on job cuts and reorganization are not immediate, we called for monitoring the impact of the merger.

The trade union federations stepped up to support this work. Their role, and in particular that of building and wood workers, was to coordinate the action of the European works councils. Put another way, the LafargeHolcim select committees were in Brussels every month. Trade union action is coordinated at the European and the world level, because LafargeHolcim depends on two world federations, i.e. the BWI and IndustriAll, but also on national federations in the countries affected. We were able to note in the Lafarge European works council that all the members were affiliated with trade unions organizations, which were themselves affiliated with the FFB (French Building Federation).

To make the link between the European and the international level, we asked the two management boards to organize a global meeting, which was unprecedented! It was held in Belgium in November 2014, followed by another one in Switzerland in June 2015, which we managed to obtain by exerting pressure. This opportunity arose in particular because the groups were ready to make concessions in order to see the mergers through. Consequently, we took advantage of the power relationship to impose these global meetings. Meeting counterparts from all countries thus made it possible to develop the international trade union network.

In a general manner, we understood that the case of LafargeHolcim could be a good example of information and consultation at the level of the European works councils. Given their status as European leaders, the merger of the two groups naturally had a European and global resonance. Working on communication means also considering it as an element directed at the employees throughout the procedure. It is also a matter of various actions, e.g. global world days, but also monthly newsletters sent to all employees in all the languages. Thanks to management, which had agreed to have the report translated as it appeared, the contents of the newsletters are accessible to all. In any event, beyond the question of the number of persons affected, these large scale actions made the respective management boards aware that the global trade union network is really capable of mobilizing workers throughout the world. The impact of press releases at the national and European level is considerable. We even made the headlines of *Liaisons Sociales Europe* regularly. In France, we were received by the Ministry of Economic Affairs to talk about the stakes of the merger. We exerted pressure by lobbying MEPs, each time through the European works councils, which served as relays to their MEPs, by sending open letters to management and the shareholders, whom we also addressed at a general meeting.

During this period, which ran from July 2015 to May 2015, the various actions undertaken brought weight to bear, because independently of the action that can be carried out internally, the fact of communicating with the outside world changes the discourse and moves the lines of decisions taken. During the consultation in July 2015, having received all the available information, the two European works council gave a negative opinion. The first argument had to do with the significant lack of information on the economic and social impact in the medium term. Management had at no time sought to hide this reality but it continued to be vague, particularly with regard to the shared services. We had no elements of information. Management itself may not have had any other. There was nothing about the impact outside France, Spain, Austria and Switzerland either. Finally, the fact remains that this merger and reorganization operation foreshadowed an excessive social cost, which seemed unacceptable to us, in spite of the social commitments undertaken by the two groups, bearing in mind that we had doubts that a European works council could function at CRH. Today, we know that it still does not. For these reasons, it seemed decidedly impossible for us to give a positive opinion at Lafarge and at Holcim.

At that time, we still did not have a framework for the future European works council. A draft agreement had been initiated, but management did not follow us, so the framework that we could have expected in the post-merger period did not exist. There was nothing at global level either. Our opinion was consequently negative, even if we could see that a certain number of social guarantees were given, and we had managed to do rather well on the procedural front.

The two groups merged in July. We continued to hold our meetings regularly to monitor the impact. The pattern remained particular, because although the groups had merged, the two European works councils continued to operate each on its own. We realized that just after the merger, new deadlines and new problems appeared. That is why we had in in-depth reorganization of the industrial policy. Near the end of 2015, we were told that the market was catastrophic in Europe. We were faced with production overcapacity. In other words, the factories would be affected, whereas we had been given assurances to the contrary previously. For our part, we tried to explain that this was a decision at the European, not the national level, and demanded information and consultation.

We realized that the shared services policy which had been applied at Holcim was extended to LafargeHolcim. Once again, it was very difficult to get concrete information on deadlines and the number of employees that might be concerned. Even today, we still do not have all the elements, all the more so as the reorganization of the procurement policy at European level comes into play. Evidently, it was necessary to initiate a certain number of consultation information and consultation procedures. Consequently, in the absence of a European works council, we called for agreements on method to be able to manage the transition between July 2015 and the starting date of that future works council. Once again, we reached an agreement that provided for monthly monitoring meetings; the launch of information and consultation procedures with each European works council; recourse to an expert where needed; the creation of a health and safety workgroup; and the involvement of the global federations in each of these groups.

In the beginning of 2016, a special bargaining group was created to negotiate the framework of the future European works council. The lead we had taken over management was considerable, because we already had our project. In the end, we were the ones who got them to work on it. Monthly meetings were held between July 2016 and February 2017, which ultimately led to the signing of agreements of the European works councils in March 2017. And yet, we did not forget that it was necessary to address the European and world levels. And we continued our lobbying by defending an international framework agreement, i.e. a world agreement, and a health and safety agreement at world level. And I insist, I draw a difference between an international framework agreement and a global works council. An international framework agreement under which the parties undertake to respect the fundamental rights and standards of the ILO is definitely essential, but really so insofar as we can control it – whence the need for a global works council.

In October 2016, another world meeting was held in Hyères. As the merger had already gone through by that date, we had to exert pressure to obtain it. It is worth pointing out that the European Trade Union Confederation organized it, with funding from management, who were invited of course. We think it is vital to be able to question members of management at key moments. Moreover, we see these meetings as a prelude to a global works council. The next meeting is scheduled in October 2017 in Delhi.

To conclude, we would like to insist on one crucial point: the work method. In this type of operation, the merger extends over a timespan of about 18 months. We were guided by the conclusion of an agreement on method. The agreement of the European works council can be considered to be of good quality, but that said a difference may emerge between a good agreement and the proper application of such an agreement.

Today, even though we notice that the social dialogue is better at Lafarge than at Holcim, we are still wondering about the willingness of management to involve the members of the European works councils in all transnational issues. We must continue our lobbying to put a global agreement in place at any cost, and a social dialogue policy at the global level as is the case in Europe. We have a protective framework in Europe, whereas the situation is different when we cross the Atlantic or the Pacific. The simple notion of compliance with employee rights is not the same everywhere, and health and safety must be given priority among the major stakes, especially at LafargeHolcim, because their activities are highly accident prone, particularly in connection with outsourcing – an issue which is found in other sectors for that matter.

The challenge for us is to succeed in establishing a social dialogue relationship at every decision-making level: in Europe first, but also and especially in each continent, where there are regional management boards. There are many challenges concerning the provisional management of jobs at the European level. Even if the countries have different legislative frameworks, we want the group to set bold objectives on wage policy, social protection policy and health and safety. The stakes in each of these areas show there is still a lot of work to be done by my successors.

❖ **Magdalena Craciunescu**, Human resources manager of Lafarge-Holcim, Romania

Holcim Romania is celebrating its twenty-fifth anniversary this year, and is still going strong. The presentation this morning seemed altogether representative of the development of industry in this country. We have two cement factories, several concrete production factories, and a grinding station, with ca. 1,100 employees.

We are proud that we have managed to go through these different phases and that we have developed, through our collective work, a social dialogue of good quality and some other improvements. These include the development of skills, thus going beyond the issue of social assistance or support allowances to find another job, and so on. We consider that the development of skills for the future is a major winning asset for workers, whether for finding another job in case of a reorganization or for going to work in another company. We are keen on sharing the same vision because we have taken a measure of the context of our age, when transformations and development are driven by galloping technological innovation. Our industry must be considered according to its own reality, which is illustrated by its dynamism. We must look to the future to see how change will play out for the transport industry, with

driverless electric cars, for example, or e-commerce.

But let us get back to the Holcim merger. It was defined to comply with the requirements driven by a perspective dominated by the notion of competitiveness. That is why most companies have kept their original structure, i.e. the one before the merger, by selling assets to other companies. It is worth pointing out that in the case of Holcim Romania, the structure has stayed as such, being part of Lafarge in a way that has enabled the local structure to avoid being affected, in spite of the changes. At a time when the common Lafarge-Holcim vision did not yet exist, the issues of change management and the social dialogue were in fact geared to defining cultural and political change. I had the opportunity to note and experience first hand that the social dialogue can be beneficial when it is solidly constituted. Many uncertainties emerged during this transition period, in fact, but we were aware that we would never have enough information at the right time. Beyond this observation, which remains essential, it is a matter of communication and exchange of information. We learnt that ourselves. Even if the impact was not always evident, it turns out that the different elements gradually form a set and make it possible to manage this feeling of frustration about the difficulties of really anticipating the impact at local level. These employee representatives whom we have in Romania were solid partners in this respect. The dialogue with them was very fruitful for questions to do with feedback and the circulation of information through all possible avenues. As regards the change process, I would like to underscore the importance of the communication.

To return to the previous comments, having taken part from a local perspective in the discussion concerning the conclusion of the European agreement, I would like to confirm the company's concerns about opening the social dialogue. I can also confirm that said commitment would conclude an agreement at international level, by considering the weight and dimension of the company as well as the responsibility that we have at the global level to communities linked to the industry and to the way we manage their development. The cultural perspective is important as well. Whereas we considered the cultural differences as key elements in the merger process, there is also a main and common element in the concern for health and safety at the work place. It was therefore an opportunity to learn and improve the practices with new solutions proposed through the exchange of experiences in the different countries where the group is established. The integration process naturally goes beyond this type of common lines and it is also a matter of giving thought to the way we are used to operating. Our efforts are concentrated in the field, where we have to advance common missions and values.

Several questionnaires concerning the point of view of the workers regarding the merger in the organization have had a positive development in certain areas. We are delighted. This determination to collect information attests to the good will of the company which is endeavouring to understand and facilitate the integration process and have aspects that can be improved. As to the answers, which are also changing, they show the commitment of the employees and the growing support for the company's vision. It is our responsibility to support this approach at local level, where we enjoy a greater degree of autonomy. The choice of a path that meets the concerns for health and safety may be supported at this level. Many aspects can be improved, and we are delighted to have been able to gather them from among the workers.

When I consider the progress made along the merger and integration process, I do not lose sight of the idea that communicating information and the priority given to development are fundamental elements. Although I think that we can make more efforts to anticipate the new needs of employees, I am certain that we already use successfully the tools within our reach through the social dialogue.

❖ **Sorina Bocsea**, Member of the European works council, Lafarge-Holcim, Romania

Since I could be considered as the last of the Mohicans here, I would like to say a few words to share my experience. As a member of the Holcim European works council for ten years, then as a member of the select committee and, since the merger with Lafarge, as a member of the team that has met with management on a monthly basis, I have played a dual role by being a member of the special negotiating group of the new LafargeHolcim agreement. It is a unique experience to take part in an event of such complexity and remarkable intensity with monthly meetings, and plenary and extraordinary sessions these last sixteen months. The agreement was signed on 27 March in Paris, during the last meeting of the select committee group, but a protocol specified that we will work in continuity by pursuing meetings with management.

I would pay particular attention to the fact that the merger in Romania did not pose any serious problems. The activity has continued and our saga goes on thanks to this LafargeHolcim merger which is of unique scope at the European and world level.

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**GENERAL DISCUSSION**

❖ **Stan de Spiegelaere**

Is it possible to clarify the status of the committee? Was there an agreement? We learnt of a number of good practices and lessons to follow in the form of agreement on method, during the presentation. If you could start over again, would you do certain things differently?

❖ **Nadia Salhi**, Member of the Confederal executive Committee of the CGT, France

The representative of HR of the LafargeHolcim group in Romania said that the social dialogue is a fundamental value. In view of the examples given in many seminars, however, it seems to me that despite the meetings, the information provided to understand the mergers, the expertise tools that emerged or the different precautions adopted, the opinions of the works council were negative. How did management react to that? Shouldn't there be some progress? By way of reminder, the commitments that no factories would be closed were not honoured: the big groups have a lot of money to keep going, but the employee representatives have little deliberative leeway.

❖ **Président of the operation of the cement worker's trade unions of Romania**

What happened during this HolcimLafarge merger, is more of an example of good practice. Three major cement makers dominate the market in our region, in Romania: LafargeHolcim, HeidelbergCement and CRH. We understood in large measure what was going on during the merger. Furthermore, I know that our colleagues from the former Lafarge were involved in the negotiations. So I ask them: do they continue to monitor the social dialogue and trade union activity in the CRH zone, whether in Romania or elsewhere in Europe, under the European trade union federation for the building sector? Admittedly CHR has taken over a contract that binds it for a year, but life is longer than that. We must make a point of monitoring the rights of employees to make sure they are at least equivalent to those they had at Lafarge. To ensure this responsibility, we need the support of a trade union of European dimension.

❖ **Sylvain Moreno**, CGT representative of Lafarge-Holcim, France

The European and international levels blend in the field, and there is a sound and rich dialogue in each country. What are we talking about in Romania? Beyond platitudes, can we say what has actually been applied in concrete terms? At issue is a purely financial merger. On the one hand, we have the main shareholder of Holcim, which views the arrival of an imposing Russian shareholder with a jaundiced eye; on the other hand, Lafarge, which had increased its capital since 2005, only to lose €1 billion euros. A favourable position is gained when you can have two against one.

Apart from that, the social partners, like the level of negotiations, appear to hold a less important place than in the past. At the level of my perimeter, we see that there is not much to negotiate. Conversely, we note the implementation of a communication to condition employees, through videos from our management that tout the policy advantages of belonging to a certain business model. Business takes priority over the worker. And yet, it would make sense to examine the working conditions first: the importance of such factors as the psychosocial risk and the psychological pressure exerted on the behaviour of workers, not only according to the company's strategy but also the management model.

We are convinced that we need employers, employees and capital. But we note that there is an excess of capital, made evident by decisions that go against the workers and endanger the survival of our industrial tool. It would be dramatic not to attach greater importance to these circumstances in the social dialogue.

❖ **Anne-Marie Grozelier**, General secretary of Lasaire, France

Since the European works council gave a negative opinion in fact, how did the employee representatives react to the relevance and advisability of the merger, bearing in mind that industrial strategies boil down essentially to financial strategies?

❖ **Jean-Cyril Spinetta**, President of Lasaire, France

We insisted on the importance of the information given by the management of the companies. It is a matter of knowing what such a merger means and what its consequences are. But do you have the impression that you have all

the information? Otherwise, if gaps were noted, could you say how more complete information can be obtained?

I experienced first-hand in Air France KLM the powers of Dutch works councils, which have the right to veto mergers and acquisitions. In case of such a veto, the court decides whether management or the works council abuses its position of power. One of the court's assessment criteria is the quality of the dialogue in terms of information between management and the works council.

In the case of the LafargeHolcim merger, assets worth €6.5 billion were transferred to another cement maker in Europe, CRH. What role can the Lafarge and Holcim trade unions play in case of such a massive transfer of assets to ensure that the social conditions at CRH will not mean a total break with those that existed at Lafarge or Holcim? Do you think that the competition authority in Europe can have its say as well as a requirement in the form of social continuity between what is transferred to a new buyer and the social quality of that buyer?

❖ **Philippe Springinsfeld**, Coordination at the national level and member of the European work council, select committee Lafarge, France

This merger addresses financial interest, as proven by the €6.5 billion in question. M. Mochet confirmed as much when he talked about “breaking the cement cartel,” or put another way, avoiding fines, in the future. The human dimension was not in the balance at the time of the discussions. When I predicted that the damages would affect nearly 27,000 employees, Mr Lafont contradicted me, arguing that the figures of the CFTC are always inflated and not indicative of the real situation. We have gone from 139,000 employees to 90,000 now. So the damage on the human front turns out to be enormous.

❖ **Jean-Michel Gillet**

There is no global works council nor an international framework agreement for the time being, which is regrettable, in my view. Even if it is explained by the fact that the framework we have in Europe constrains us, we had the obligation to reach an agreement on the European works council. We do not have such constraints at world level, other than those assumed by the social partners, in the case at hand in terms of the social dialogue. In that respect, it turns out that a question persists concerning Holcim with regard to an international framework agreement. Lobbying efforts are continued, but we note that when it depends on the willingness of the parties, it is more difficult to act than in the case of an already established framework. Our willingness to have the European works council agreement transposed into French legislation remains one of unfulfilled expectations. After all, it is transposed under Belgian law.

That said, we have obtained satisfactory elements on the way we proceeded to control this merger better, in particular by doing everything possible so that the members of European works councils from different cultures discuss matters frankly and reach a common position. When we understood at the outset that we were dealing with two very different social dialogue cultures, we feared that we would not be able to find the means to speak with a single voice. The current agreement is satisfactory for us, all the more so against the background of the European works councils. It now has to become reality, which is more problematic, in fact.

If we want to understand how the negative opinion of the EWCs is taken into account, it is necessary to examine the different steps through which we proceed before we reach an opinion on the question. I believe that the enormous amount of work we have done upstream enabled us to bring our weight to bear on the choices made by the management boards, particularly as regards social issues and the commitment among the groups. The opinion is negative because a certain number of uncertainties about the future were not addressed, but the group cannot necessarily anticipate, identify or quantify the impact. Furthermore, we continue to bring our weight to bear, after the opinion, at the European level, and in the countries, such as in France. Although not fully satisfactory, the fact remains that the picture is not all that dark, even if we issue a negative opinion. The rule depends on the following principles: we can bring our weight to bear in changes, but it is more difficult to anticipate the changes. I think we must concentrate our efforts more on bringing our weight to bear at the right moment rather than to anticipate, because having the capacity to anticipate would imply that we control all the elements. Let us not lose sight of what trade unions can do, because after all, they are not the ones at the head of companies.

CHR was initially welcomed as good news, compared with an investment fund. On the other hand, it did not have the best press on the social dialogue. Was the pressure exerted sufficient? We know that the trade union federations can bring their weight to bear only if there is a collective behind them. Admittedly, we obtained only a single year of conditions, and nothing at all on the European dialogue. Why do you think that is? CHR, which is a Dutch group, does not understand the social dialogue at the European level. For them, such decisions are taken at the national level. We must put our trust in local employee representatives who are part of the companies that were

transferred to CRH.

In France, the arrival of a new stakeholder changed everything. A sort of gentlemen's agreement had existed among cement makers up to then, but this change threatened the entire activity, and in particular the conditions of the social dialogue, with costs revised downwards, etc. We informed the competition authorities of our concerns, but they did not comment on the issues, as this subject does not fall under their scope of action.

❖ **Magdalena Craciunescu**, Representative of Holcim, Romania

The international agreement has not been signed, but the process is under way. Would we do things differently if we could do this merger over? As I already mentioned, we have virtually no communication at local level, and as I likewise pointed out earlier, at a time when there is nearly no information available. For example, the profits made at local level following this merger were not at all visible in the entire organization. That said, a rather discrete change has been noted at local level. The fact remains that we received feedback from our colleagues that enabled us to start improving the communication.

❖ **Jean-Michel Gillet**

We had gauged the relevance of the merger by calling on economic experts, Secafi and Syndex. With them, some elements of the analysis showed us some of the stakes, especially with regard to the shareholders. We understood the reasons for the merger more easily. Our scope of action was concentrated mainly on social conditions. We managed to get across that in spite of our overall understanding, we did not agree with them. But we must nonetheless be clear about the limits of our role. We were then willing to keep in line with them, but on condition that not everything is decided to the detriment of the employees: once we discovered that it was an action aimed at the interests of the shareholders, we knew that the employer had financial means for the workers too.

❖ **Joël Decaillon**

The questions as to the capacity of management to inform and the right to information will become essential, but the situation is not the same under French law or Dutch law. This type of issue shows that we are in a space of industrial relations which is not limited to the national level. In parenthesis, this also shows that the requirements for social and political answers go against everything we have heard currently in the presidential election debates in France.

2<sup>ND</sup> ROUNDTABLE ON THE CASE STUDY OF THE UP GROUP

## ❖ Anne-Marie Grozelier

The case of the UP group which we are now going to study differs from the problems encountered in previous studies of this biennial. The UP group is not a multinational like the others, because it tries to involve employees and their representatives and allows them to express themselves and get their point of view heard. It lies at a junction, striking a sort of balance, between what falls under the management of business strategies and the management of jobs and working conditions. For the UP group, jobs does not constitute a profitability adjustment variable. UP is a French group with cooperative status. The cooperative movement is a type of company that has existed in France since the 19<sup>th</sup> century, one that falls more broadly under the scope of the community-based economy in Western Europe. These cooperative practices have been developed in Italy, Spain, France and Germany.

The UP group came into being from a workers' production cooperative called "Chèque déjeuner" [meal or lunch voucher], established in 1964. The trade unionists who initiated it wanted to organize the production of pre-allocated payment vouchers for meals, i.e. vouchers paid in part by the employer and intended exclusively to pay for food. The aim at the time was to ensure that the worker had at least one proper meal during his working day. This background explains why this company was initially created by trade unionists. At the end of the 1980s, the group diversified by creating, in addition to its flagship product (cheque déjeuner), other payment vouchers, likewise pre-allocated. These are essentially gift vouchers or culture vouchers, but also services for companies, works councils and local authorities. For said authorities, UP at times even takes managerial action, by providing software and software packages to computerise their social action. On occasion, the group has also helped certain authorities manage the *revenu de solidarité active* (RSA) [inclusion support income], a French form of social welfare.

Today, the group is established in 17 countries and ranks third on the global payment voucher market. It has more than 3,000 employees. Like all other international companies, the extensive growth that the UP group registered entails developments marked by changes, acquisitions, mergers, reorganizations and even closures of sites; conversely, the UP group is protected against takeover bids, and is thus the only one to decide on such changes and the related procedures. This element makes the UP group very singular by comparison with the cases we have already discussed.

The parent company has the legal status of a *société coopérative et participative* (SCOP) [cooperative and participatory association]. Although the group has registered strong growth, it is also subject to quite a regulated competitive market, particularly on the fiscal front. One of the group's main strategies was to bolster this cooperative model, as shown by the merger in 2016 of three French subsidiaries brought in the parent company to form only one SCOP. The aim was to disseminate the cooperative principles in the group's different subsidiaries, including outside of France. Furthermore, to preserve this cooperative approach, this group has embarked on a two-pronged strategy: preserve its financial autonomy, i.e. its economic sovereignty by endowing itself with the means and resources to finance its investments from its own equity capital; and secure the survival of the company through growth, in a very competitive environment, even though there is no more room for growth in the French meal voucher market. To do so, the group has stepped up the pace of international development and is investing enormously in innovation, even though it is in a niche that is changing very rapidly with the development of digitization and dematerialized means of payment. The group has also started to invest in start-ups and already has a substantial research segment, with a part dedicated to technological watch, innovation and experimentation.

Investments were financed from equity capital up to 2015. 45% of the group's net profits are allocated to a provision for investment. However, to get a foothold in Brazil, the group took out a first loan from social economy banks, and then acquired three competing companies. A restructuring process currently under way will bring them under one and the same entity. In the last decade, the group has expanded, chiefly through self-financing, in Europe, Mexico, Brazil, Turkey and Morocco, either by acquiring competing companies or creating companies from scratch. In Europe, the group is present in many countries, including Hungary, Slovakia, the Czech Republic, Romania and Bulgaria. In Romania the group created a subsidiary at the outset in 2002, then developed by acquiring two local companies. The activity in Romania is based on the meal voucher, gift voucher and holiday voucher. Profitability declined in 2010 and 2013, but we note that this drop did not lead to job cuts. The costs were optimised without redundancies being considered. In the end, the group has increased its market share in Romania by 20% in five years.

The group is faced with major changes, such as technological changes due to digitization, the development of new markets and changes in governance, but it propelled these transformations in large measure. Changes can obviously be also imposed from the outside, as we shall see in the example of Hungary. These changes have had an



impact on the employment and organization of the production system, which could be a source of concern for employees, in any event in an environment where the short-term profitability rationale tends to dominate. The UP group has opted to organize its development by supporting managerial policies that do not put the employees in the spotlight, but by focusing on internal flexibility. This is a component worth underscoring. The technical aspects of changes are apprehended very early and the employees are continuously informed, trained and prepared for possible changes in their line of work.

Thanks to the strong development registered by the group, realignments or mergers have not entailed difficulties in managing overstaffing, as we have seen in other cases. The company itself proceeded to make changes but none has led to redundancies. Two examples illustrate this approach: When the group had to close its subsidiary in Hungary, to comply with a reform introduced by prime minister Orbán according to which only banks had the right to issue payment vouchers, it put a redundancy plan in place, and a specified firm was commissioned to reassign employees. Their salary continued to be paid until they found another job. They were all reassigned. Confronted with the same situation, the employees of the competing company Edenred were dismissed on the spot. Two management approaches were obviously used to deal with a situation brought about by a change of government.

The second example has confirmed the preceding observation: the absorption of three voucher subsidiaries by the SCOP Chèque déjeuner, which is the parent company, and their integration into a single unit with cooperative status, led to an extremely long preparation. This merger was a major challenge because it required the consent of the employees of the parent company, inasmuch as they were members of the cooperative. Moreover, they were asked for their consent for the enlargement of the SCOP, and the ensuing arrival of new members, because all the employees of the subsidiaries would become new members of the cooperative. Furthermore, this merger entailed the implementation of a new organization of work and a redefinition of the positions in the new structure. The decision was taken in the board of directors and a period of preparation followed over two years. The importance of time is worth underscoring as it is an element necessary for social democracy. The project was implemented through a three-step internal process: 1) have the transformation of the company approved by the member employees of the parent company; 2) convince the employees of the subsidiaries to become members of the cooperative; 3) put in place and reconfigure the organization of work and of jobs in the new structure. In brief, it was a sort of restructuring.

The employees concerned decided to become members of the cooperative. French workers who are members of the cooperative today represent 70% of the entire workforce. This merger was carried out whilst keeping the workforce intact with the cooperation of the employees through various workgroups that reviewed the organization from the outset, organizing reassignments where needed when positions were duplicated.

In the system of the social and solidarity-based economy, 100% of the capital of the company is held by the employees who are members of the company. Consequently, stemming from the world of work, the members of the board of directors are elected by all the members of the company. They include three representatives of elected officials of the works council and one representative from each of the three French trade union confederations (CGT, CFDT and FO). The chairman is elected by the directors and the voting is conducted according to the rules in force in the social economy, i.e. one person, one vote. The situation is different in the group's subsidiaries that have preserved their status of origin, for example SARL (private limited companies), because their employees are not yet members of the cooperative. Nevertheless, the group's objective is to extend the cooperative principles to the different subsidiaries in about ten years' time as part of a two-phase plan: the first phase was the merger of three French subsidiaries in the parent company; a second phase will aim to extend the cooperative principles to other French and foreign subsidiaries in the longer term. Discussions are under way with the companies concerned.

The corporate culture pursued by the parent company is strongly marked by its cooperative status, including in the field of social relations. The fact that some representatives of employees have a double role at times, i.e. they are employee representatives but also members of the cooperative, could a priori complicate the social dialogue. For them, the issue is to distinguish what falls under the negotiation of working conditions and what falls under the corporate strategy. These objectives and this management mode are quite removed from the practices of most multinational companies, geared to short-term profitability. For this type of company, the workforce is in general considered a cost first and foremost. Conversely, for the UP group, the recognition of the value of work, information and support for employees are indispensable management tools.

The group aspires to set an example on the social front, as shown for instance by negotiations and agreements to reduce the working time. In fact, the group gradually brought the French company to 35 hours, without any reduction in pay, several years before that reduction was introduced by law. Another characteristic example of this type of company: the difference in pay scale goes from 1 to 12. Overall, the company promotes a rather favourable social policy for employees in its foreign subsidiaries, particularly as regards pay. These choices create a climate

conducive to development, even when the company is faced with restructuring at the national and international level. Contrary to the experience of other multinationals exposed to this type of difficulty, there have been no social movements nor inordinate claims from the employees.

The group's European works council is the first of the sort in a company whose parent company is a cooperative. It was initially put in place at the initiative of management on a purely voluntary basis, because nothing made it compulsory at that time. The preparation and negotiation phase that preceded its establishment was quite protracted. The important feature in European works councils of this type is that the elected officials of the different countries concerned discover different cultures at such times, in particular the social culture of the country of origin. It is all the more pertinent for the elected officials of European works councils that belong to subsidiaries established in Eastern European countries, where the relatively recent switch to the market economy was often accompanied by a certain degree of suspicion of institutions such as the works council, a fortiori the very idea of the cooperative – with due reason, because they can be reminiscent of the history and experience in the former socialist Bloc, which has left a memory of a monolithic dominant system. But in France, and in a certain number of other countries in Europe, the cooperative movement and cooperatives have existed since the 19<sup>th</sup> century, and have thus known all the political regimes that have come and gone up to now.

I would like to underscore how the experience of the UP group reveals another economic model, where government gives preference to the survival of the company and its jobs, whilst paying particular attention to its financial autonomy and ongoing development, but without social problems. This model is based on "patience capital" for the long term, geared to creating wealth for all. The value of work constitutes its base, with particular attention to change management geared to providing security for workers. It is also based on very ambitious growth objectives. This strategy has a price tag and may involve research for new financing, as seen in the case of Brazil. Could it imperil the autonomy of the group in the long term? Is it possible to make all employees, including those abroad, members of the cooperative with such a growth strategy? Will members of the cooperative hinder the process? Are the employees of European subsidiaries ready to embark on this path?

❖ **Jean-Philippe Poulnot**, Director Manager of public partnerships, UP Group, France

I have been working in the UP Group for twenty-six years. At least, it will be twenty-six years on 10 June 2017, at 8:30 AM. I have also been a trade union activist for twenty-six years. I have been a director for fifteen years, elected by my peers, a process I will have more to say about presently.

Our company is a UFO, an unidentified flying object. It is an organization, and therefore an undertaking: flying, as our name announces: "Up," and when you look at our communication campaigns, they feature characters floating in the air; unidentified, because the term "cooperative" does not speak to everyone, and I am thinking in particular of Central and Easter European countries, which belong to what we used to call the East Bloc, as well as in South America, where dictatorships have corrupted the cooperative status. What the cooperative movement represents in the world differs depending on the continent. We have an international cooperation association called the International Cooperative Alliance which represents 1.5 billion members, 2,5 billion customers and 250 million employees. This cooperative movement is part of a vaster movement, that of the social economy, the origins of which go back to the 19<sup>th</sup> century, that is to say the time when mutual benefit insurance schemes (known then as mutual benefit societies) and cooperatives emerged, the offspring of trade union struggles and major worker struggles. They were set up to improve conditions for workers, fight against a certain form of oppression and alienation, and acquire new rights.

I will not dwell on a historical parallel. We have gone through three industrial revolutions, and globalization is has been much talked about about during this seminar, in particular with the case of LafargeHolcim, but what I am interested in is the ill-named *collaborative economy* we should be weary of. With Uber, we should talk about digitization, insourcing, capture of flows, and above all a new form of impoverishment that is above the law, including social laws.

A banking and financial crisis started in 2007/2008/2009. In 2009, 1% of the planet's inhabitants owned 44% of the world's wealth. In 2014, 1% of the planet's inhabitants owned 48% of the world's wealth. In 2016, 1% of the world's inhabitants purportedly owned 50% of the world's wealth. Take the 80 richest people in the world that include Bill Gates, the Koch brothers, Carlos Slim, Amancio Ortega, etc.. They are richer than 3.5 billion inhabitants. There is an issue behind all that. Please allow me a brief digression on the question of currency, because the UP group also issues means of payment. As everyone knows, the currency has several functions: it is a means of exchange, a means of payment and a standard of value that makes it possible to compare, but also a reserve of value. More than 95% of the value of the world's monetary mass escapes exchanges between humans altogether. It circulates at high speed in the international circuits to produce interest. There is nothing wrong with simple interest, but compounded interest

follows the same curve as full blown cancer, to echo the work of Margrit Kennedy. In future, we will have to find new ways of getting exchanges to function and give them new impetus.

The cooperative was created 1964 by some twenty highly committed trade union activists. The basic strategy, in a mono-product and mono-country system, with a meal voucher in France, remained unchanged until the 1980s. The board of directors is elected every four years and consists of 12 member who are employees of the company elected by their peers, 3 representatives of trade unions and the 3 confederations that have supported us from the outset (CGT, CFDT and FO). The board meets some ten times per year. It follows a rationale of dialogue with the employees, reporting to them verbally, in a process of constant exchanges. This board of directors operates on the basis of consensus, not compromise. We never vote on decisions of the board of directors, because we wait until we all agree to approve them. Given the diversity of the members of the board in terms of provenance from the company's departments, this makes it possible to arrive at mature decisions which are thus more resistant in time. Our company is obsessed with its survival and the survival of its jobs.

At a given moment, we became aware of the need to go beyond the strictly French framework and look for new products and services. Our talks in the board of directors were quite lengthy as you can imagine. After reflection, we decided that the Chèque déjeuner group would be established at one hour and a half maximum from Paris by plane. Our two first experiments got underway diffidently, one in Italy, by creating a collective catering cooperative, and the other in Spain, in association with the Spanish trade union movement, in particular the *Comisiones Obreras* [Workers' Commissions]. In parallel, we created the reading vouchers, on the same model as the meal voucher, to support independent libraries, and record vouchers, then culture vouchers and finally we acquired a company to have a gift voucher in our range, which was then supplemented by a service voucher. The latter is a tool used by the local authorities to help people in serious difficulty. It replaces food stamps given by town councils which are very stigmatizing for needy people. From there, we looked into care at home by creating a voucher that could be used to pay for services.

New talks were then initiated in the board of directors, because the UP group was registering strong growth in Europe, in Central and Eastern European countries, starting with the Czech Republic, then Slovakia, and then Romania, Hungary, Bulgaria, and more recently Poland, then Germany and after that Portugal. The success was such that we wanted to add a word to our frame of reference, which took several hours of discussions to decide in the end to change the original title by indicating that the UP group was developing "in Europe as a matter of priority." Then, in the two years that followed, we had a subsidiary in Morocco, then in Tunisia and then in Turkey. And in parallel, we developed new services. Today, we are the uncontested leaders for management software for associations, legal and extra-legal aids of local authorities. At a given moment, we were also one of the leading players in the update of the *carte vitale* [health insurance card in France]. We work also with governments because last year we were awarded the government contract to create an emergency card migrants could use to feed and clothe themselves. Having come all this way, the decision was taken to take action throughout the world, and little by little we got established in Mexico where we acquired the subsidiary of a business bank, and then more recently, at the end of 2015 and in 2016, in Brazil, where we acquired three companies, aware that there were already some 200 structures there with activities very similar to ours.

Our strategy is based on three main lines. The first consists of accentuating and accelerating our international development. Up to the end of 2015, our entire development was pursued with our equity capital, and we had never resorted to loans, except once, for €500,000 to buy furniture for our new headquarters. On that occasion, we wanted to take out a "syndicated loan," by bringing together a banking pool, which in the end lent us €140 million to contribute to our development. We are currently working on a certain number of large countries where we follow developments, in South America and North America, and we continue to look at Asia and Africa. Our aim is to reach a financial volume of €10 billion and a turnover of over €500 million by 2018. A key change was made in our organization in order to pursue our first strategic line. Earlier in the group's history, we were organized in hubs: Vouchers France hub, Services hub and International hub; then we abandoned this organization for regions (Eurasia, South America, Eastern and Central Europe). Our operating principles for this development are geared to large countries, which are scored and analysed by headquarters, but each regional director can propose gaining a foothold in a small-sized country to the board of directors.

The second line of our strategy is innovation, because we do not want to be uberized in the days to come. The other reason for that strategy has to do with the fact that we are wondering what we are today. On the one hand, we note that we work with 1.2 million customers and partners, which include companies, works councils, local authorities and merchants. On the other hand, we have 1.5 million beneficiaries. We will obviously have to deal with digitization and the new media, which we have already started to offer, such as chip cards, bank and non-bank cards, and Internet platforms to the extent that we are wondering whether we are not a sort of platform ourselves.

We opted to invest €10 million in an investment fund called Idinvest some years ago. This fund in turn invests in start-ups specializing in the new technology sector. So we decided to acquire shares in a company that was part of this panel, until we reached 10% of the capital. In the process, we negotiated a seat on the board of directors of this company so that we could keep an eye on what was going on inside the fund. We also invested €10 million in another financing structure, then at the end of 2016, €30 million over 5 years to finance innovation. For the UP group, innovation is a process that takes place inside a team. That is why we tackle very many challenges that call on those who want to participate in the company on a voluntary basis. We also support the innovation project chosen by the employees to experiment.

The third line of our strategy consists of our idea to become an emblematic ambassador of the social and solidarity-based economy in the world. There are two bases for that. First, what we do internally, that enormous construction project started in 2014, which we support, called “Roots and Wings.” Stemming from a proposal of the Board of Directors, this ever so desired project consists of studying all the solutions to include the largest number of employees possible in the company’s capital. Because in the 1980s, 100% of the employees owned the company and then, with the phenomenon of takeover, acquisition, creation from scratch and at times statutory escheat in certain countries, we took over or created conventional companies. However, our challenge is to ensure that every one of us is an owner of the company. The first step consists of explaining what we wish, and I can attest to the large number of meetings we had with the cooperatives to explain our determination to share the company with the other employees of the subsidiaries. We explained our principles gradually, small group by small group. We then had to meet the employees of the subsidiaries which were not cooperatives to explain the virtues, advantages and disadvantages of becoming a member of the cooperative. We went to meet all employee representation bodies of all the subsidiaries until finally, in 2015, we proposed the merger to the general meeting. 86% of the members voted in favour, which was a success for us and also, thanks to the vote of those against, an indicative of democracy in action.

The second basic subject has to do with the work initiated by the board of directors on recasting our classification to put it in perspective with a provisional management of jobs and careers. We took stock of 700 job sheets for 1000 employees in France, which showed a certain inconsistency. So we worked together with a committee that drew up the job sheets by simplifying them as much as possible. Directors, employees and executives of the company got down to this task, as did a committee which in parallel graded those jobs by giving them a certain value. A consensus process completed this revision of job sheets and their grading. If a sheet was not approved, it was sent back the drawn up again.

Becoming a world ambassador of the social and solidarity-based economy requires a very strong involvement outside the company. We opted to support that by taking a seat in the International Cooperative Alliance by integrating the group of the 12 most emblematic cooperatives, called the Leadership Circle. Then, 10 years ago, we also created an association of the *Rencontres du Mont-Blanc* [Mont Blanc Meetings], a world forum of leaders of the social and solidarity-based economy, which in turn created a structure known as *Groupe pilote internationale de l'économie sociale et solidaire* (GEPIESS) [International Steering Committee of the Social and Solidarity-based Economy], close to the United Nations.

I think there is a fundamental opportunity for the structures of the social economy and the trade unions: the sustainable development goals 2030. We will find many things there, in particular goals 8, 9 and 10, which speak of the distribution of wealth, decent work, in connection with the ILO, and also the reduction of inequalities and equality between men and women. In brief, certain fields that can provide prospects for hope.

❖ **Sabine Henno**, Secretary of the European Works Council, UP Group, France

I shall open with a brief parenthesis to inform you that I recently became a member too. I used to work in one of the subsidiaries that merged on 1 January 2016, and I have been in the group for nine years. We must bear in mind that the subsidiaries which were not yet members and worked in close cooperation with the parent company already had the wherewithal to become one. We were influenced by the culture that stemmed from our parent company. As a representative of the unionized CGT staff, I can assure you that the double role of employee representative and member of the cooperative does not in the least get in the way of holding real negotiations with our management or to disagree on certain constituent points of this deadlock. It is inextricable because we are there to defend the workers, even if they are members of the cooperative.

The project was initiated in the European works council at the initiative of management in 2011 with advice and support by Syndex. A preliminary study was conducted for France in the European entities to take stock of the situation, in particular on the social dialogue. At issue was to gauge whether there were major differences and whether the conditions were met to join the European works council. The special negotiating body started at the end

of 2013, at a pace of a negotiation session every six weeks. The agreement was concluded at the end of July 2014, with a first kick-off meeting in November 2014.

As to the clash of cultures mentioned previously, I agree with my colleagues, because I have observed that the differences that can be felt between inhabitants of Latin and non-Latin countries required a learning phase. The Spanish, Italians and French like to express themselves, whereas the Slovaks, Czechs and Romanians are more reticent. We therefore got to know each other, if only by loosening the dialogue to engage in simple and straightforward talk, and then we were able to move to management level, with far more exchanges and fewer impediments, for some of the elected officials in any event. The desire expressed by management to create a European works council comes from a culture of social dialogue that has been attained in France. It was a matter of generalizing it at European level in order to have peace of mind and become a force for the group and develop our subsidiaries. We can welcome the agreement we have negotiated. We must now apply it and that is quite a task. For the time being, it is a new body. Things are getting off the ground, and it is time for everyone to find their bearings. At this phase, as we have a good dialogue with our management, we are learning from each other. That does not prevent disagreements, but it does make it possible to establish a dynamic exchange which moves things forward for all of us. The French elected officials have constituted the driving force up to now. We are bringing our Slovak, Czech and Romanian colleagues, and more easily our Italian and Spanish counterparts along in our wake, but we are still the driving force. We are teaching them in particular how to understand the culture of our group. Not that it was absent before the European works council was created, but we can now stress certain points and dispel certain prejudices that persist in international groups. For instance, we hear such comments as "It's all about the parent company, which works differently; we are just one subsidiary among others." We have been working on doing away with such preconceived notions which continue to make the rounds at times.

We can point to our young experience as a works council all the more so since before 2016, the first year, we concentrated above all on setting it up. Conversely, we have already been present for three information and consultation processes relating to acquisitions. We are working to ensure the monitoring of the "Roots and Wings" project in relation to the subsidiaries abroad on the issue of expanding the cooperative spirit. We are working on three major projects with management at the moment. The first is the provisional management of jobs and skills at European level which pertains to the changes brought about by the generalized dematerialization. Our objective is to take the lead and to think of the way in which we can reconcile this transformation and the relationship of employees with their line of work. We want to do this at European level, not only in France, where this approach is already in place. We are also working on the common European social base which will get under way in the second half of 2017. We will take stock of the practices in the various subsidiaries in order to harmonize the different members on minimum social standards. Finally, we are starting to work on the agreement to the European trade union right. In France, at the UP level, the project has made some headway and we expect to complete it in 2017. At European level, we are starting with a slight delay, but we could benefit from the experience in France to appropriate the more positive aspects.

❖ **Elena Pap**, General Manager of the UP Group, Romania

I am the general manager of Up Group in Romania. I joined the group in 2002 as a chief financial officer. Once in the group I realized that it was a cooperative, and more precisely that the parent company were a cooperative. And this was badly regarded here in Romania because of the burdensome legacy of Communism.

At that moment, there were, in the Romanian firm, 150 paid staff members, and it was a period of expansion. This led the firm to buy 4 local companies (and not 2 as it has been said). This company development goal was driven by the willingness to sustain this particular model. Such a priority can be observed in the whole group and constitutes one of its main characteristics. As a matter of fact, this objective to sustain and promote the cooperative model seems very peculiar in the actual context of financial productive world.

In 2008, the financial crisis impacted Up Romania as it did in many other firms in the country which had to face financial difficulties. With one big difference that Up managed to overcome the crisis and keep the whole staff jobs, without layoffs and without reducing wages. It is due to the group support policy that the Romanian company was able to keep going without social damages.

Subsequently, the company engaged in a period of important technological change with the vouchers dematerialization i.e. the switch from paper process to electronic card. To adapt to this technological change the current staff has been prepared and trained to deal with this transition to electronic devices. Social dialogue with the employee representatives resulted in a collective agreement signed in 2016 which make provisions for outplacement or transfer solutions for employees whose job would be eliminated or strongly altered.

Regardless restructuring management I must say that the issues regularly discussed with the employee representatives address these themes : firm results, health and safety, balance between private and professional lives.

❖ **Ionut Condruz**, Romanian elected member of the European work council of the Group UP

I agree with what was said and want to share with you my personal experience in this firm. We find there evidence of solidarity. It is a bit like a family. There is a good atmosphere. This is very different from what is going on in other firms in this country.

Looking at social issues, it should be stressed that social security in the company is in line with what can be observed in France. Moreover the issue of work safety is a strong point. Employees are provided with a medical coverage. Each month a medical expert visits the premises. Among other things he takes measures of the air quality which is an important matter in Romania and particularly in Bucarest strongly affected by air pollution and fine particles.

The social dialogue within the company is satisfying. The staff are consulted when the company management is considering important changes. Finally, every six months, an assessment is carried out in order to identify possible work difficulties.

## GENERAL DISCUSSION

❖ **Christian Dellacherie**, Economist, Lasaire, France

Could UP, or a similar group, if it exists, do something to contribute towards to the development of local currencies which cannot be saved, which I consider possible and even desirable?

I would now like to cite a passage that caught my eye in the Lasaire report drawn up by Anne-Marie Grozelier: "This is the case of 'chèque domicile' [service employment voucher], which is very promising with regard to current needs, but which has developed as expected owing to a set of external factors, such as the effect of policies or the difficulty of professionalizing services for persons." Given the importance of that sector of activity, I would have liked some details on the difficulties encountered and on the role that you could play to overcome them.

❖ **Jean-Philippe Poulnot**

We are actually witnessing a tertiarization of society, which will be particularly clear by 2025, according to the latest reports of the Ministry of Employment which show that the offers in home care jobs are multiplying massively in response to the needs that will emerge with the ageing of the population. The original idea, when we launched the 'chèque domicile' -- and I was one of the founders and then the sales and marketing manager -- was to professionalize the sector in question by promoting recourse to associations. The processes that we had put in place worked rather well. Then, public policies swept the subject aside by putting at-will employment on equal footing with employment in the associative sector. As a result, we saw local authorities, and in particular general councils at the time, which no longer financed the price per hour, or demanded that associations reduce their prices. This resulted in a drop in opportunities to professionalize workers in the sector. Then there were the two dramatic laws of Mr Borloo, which put a stop to the entire process, inadvertently promoting undeclared work, whereas we were trying to achieve precisely the opposite. We continue to search for solutions to help this home care sector where we could modernize the operational resources by resorting to digitization through the use of cards, smartphones, and smart applications.

As regards local currencies that cannot be saved, we had implemented a European project called SOL in the 2000s. We had conducted it jointly with Maïf, MACIF and Crédit coopératif, and with the general councils of some cities in France. Abroad, we had worked with Italy, Spain, Belgium and Portugal. We wanted not only to experiment with a currency that cannot be saved, but also with a melting currency. If that currency were not used, it would lose its value. We had given it three functions at different levels: first, it was a lever, a sort of loyalty system for the social and solidarity-based economy and ecology; second, it was a means to promote public policies, as was the case in Carré, Brittany, where the municipality had adopted this currency to help children from households in great difficulty sign up in municipal sports clubs; third, it was an exchange base reflected by a time value from different experiences.

This part of our work has not been completed. We have continued nonetheless, but from another angle,

focusing on engineering dedicated to supplementary currencies. In our view, the supplementary currency helps to relocate part of the economy in a way, which we sorely need today, given the effects of what is known as “globalization.” Is this a malapropism? I travel all over the world, and I see the same shops in the streets of all countries while local specific features disappear. To take action, I think we must follow the example of Jermei Lefking, and recreate resilience on the territories. For that, we must rely on another currency and on certain other mechanisms already deployed in France, such as territorial economic cooperation hubs and different newly created statuses belonging to the French social and solidarity-based economy.

❖ **Un participant**

Are there potential synergies between your products and Bit Coins, from the monetary point of view?

❖ **Jean-Philippe Poulnot**

Bit Coins are not really in a good position, in my view. If not, why not with other currencies, since we work quite closely together with the gonathe in Lyon, the lochko in Basque country or the project implemented by Biocop, the Copec.

I would like to add some important words. Our Collective Agreement, Article 3, section 1, stipulates that the employee has the duty to become a member of a trade union of his choice. I can attest to the impact of these few words, even though young people nowadays tend to prefer working for non-governmental organizations or other such groups.

I would also add, as regards the European Works Council, that we have invested a great deal, not only in sharing information in all languages, but also in training, because each member of our cooperative must be able to understand a balance sheet, an income statement, a company strategy. Without that, he will be incapable of taking a decision with knowledge of the facts when the time comes. Our training budget is about six times higher than the average corresponding to the legal obligations, not counting the introduction to French which we propose to the employees of all the group’s subsidiaries. We have in fact made French the official language of the group, since it is of French origin. That is why all employees who so wish can learn the language.

❖ **Un participant**

Do you deal with holiday vouchers? If not, why is it an institution other than yours, that deals with them?

❖ **Jean-Philippe Poulnot**

That is our black spot. We created the holiday voucher with Crédit coopératif – an idea we were particularly happy with and proud of, as we consider it as an extension of the meal voucher, in an effort to improve the conditions of workers. But the State, the socialist government at the time, decided to pull the rug under our feet by creating a national agency. It’s a pity, because we would probably have done a better job. Nevertheless, we have holiday vouchers in other countries, in Romania, for example, and we have no intention of giving them up. Although the French government snaffled the holiday vouchers in France, nothing stops us from continuing to deal with them in other countries with the international organization of tourism. We moreover own the trademark, even though we cannot do anything with it. We take a certain pleasure in continuing to pay the INPI [French National Institute of Industrial Property].

❖ **Un participant**

A considerable part of the cooperative or mutual sector in France is shifting to companies. It is not surprising, but how do you explain the phenomenon? Is it irreversible, in your view? Could the cooperative sector make a comeback in a number of areas? On the other hand, how do you escape from it?

❖ **Jean-Philippe Poulnot**

This shift is particularly visible in the banking sector. I imagine you are referring to Société Anonyme, Crédit agricole, KASA. It is a problem of governance first and foremost, because I think we can shift in this way when the technostructure holds sway over elected officials. In the banking sector, it is all the easier to slip because of the new standards introduced in the chain. Members cannot make heads or tails of this. When I was a member of Crédit mutual, I understood nothing, and no one did anything to help me understand. In spite of it all, there are attempts to

refocus, because we cannot just sing our values, without having adapted practices. The way we plan to fight consists of reaffirming that it is dangerous to have very strong values, very strong principles, without putting them into practice.

That is why we have embarked on the vast “Roots and Wings” project, even if we know that it would take a long time before it is put in place, and then ensure that everyone has a feeling of ownership. We invest 45% of our profit for the development of the group, whereas cooperative law stipulates 26%. We undertake a commitment to ourselves to invest in our development. 45% of our profits are distributed equally among the employees of the parent company. We have also put compensation mechanisms in place in the different countries where the group is established. The distribution is the same from the mailroom to the boardroom. The remaining part is used to remunerate our capital shares and fill the solidarity coffers at the world level so that employees can be helped if certain accidents of life should occur. For example, one of our employees had to be operated in Germany, although it was not the country of his birth. It turned out to be the only place where they could deal with his very particular case. The group was able to assume some of the expenses (operation, travel of his family).

In any event, I confirm what you said about the risk of drift earlier. It is a deviation from the articles of association which takes us away from the cooperative rationale according to which one person has one vote, because when we start talking nonsense, everything becomes confused, and we can do nothing. That is why we insist on doing the maximum to train our employees to understand everything relating to our organization.

❖ **Anne-Marie Grozelier**

Closer scrutiny of the problem of the “cheque domicile” showed the impact of national or governmental deregulations on the activity of this type of company. We believe that the “cheque domicile” was intended to make a demand solvent and enable the home care service to develop as an activity on an industrial scale. In reality, however, the regulations put in place in France developed what is known as at-will employment, according to the following principle: someone who needs the services of a person at home becomes his employer under associations organized for that purpose. But the aim at the outset was to create real companies, with a professionalization of the activity, and consequently training, a transmission of knowledge and expertise, intermediation in defining products and types of services, as in any other company. Regulations contributed to the dismantling of a sector which was in the process of taking root, while confirming its enormous potential in France. The “cheque domicile” was discontinued before it could really take off.

The notions regarding the long term and anticipation, which have come up several times, are treated in striking fashion. Unlike the strategy adopted in the LafargeHolcim group, which does not seem very satisfactory to the employee representatives, the UP Group addresses anticipation of all types of changes, whether it be innovating, or monitoring the development of technologies or lines of work. In Romania, for example, the company is currently preparing to shift from the paper voucher to the dematerialized card. This involves restructuring operations, changes of tools and a long learning process. So it is also a question of time, and Democracy takes time, in fact. If we want to consult the different bodies and have real information and consultation, if we want to take part in the decision-making process, we will have to give it time. That is why it is at times disconcerting to witness developments accelerate at an extraordinary pace in the different companies. We would expect that in the reckless pursuit of immediate profitability at any cost, Democracy would simply not have the time to play its role.



## CONCLUSIONS

❖ **Bogdan Iuliu Hossu**, President of Cartel Alfa, Romania

Just two remarks:

We cannot do without company agreements on the one hand coupled with the monitoring of the negotiating process. As for the social dialogue it has to be strongly encouraged.

The example of Up, a social cooperative such as UP, is one of the solutions to the current crisis. Everybody can play his part as a driving force in the process of change.

Bogdan has particularly appreciated the contents of this seminar, the quality of the discussions. He is looking forward to the Paris conference and wish it every success.

❖ **Jean-Cyril Spinetta**, Chairman of Lasaire, France

I would first like to thank Cartel Alfa and its president for hosting us. Thanks are also in order to all the Romanian representatives who took part in the discussion concerning the general situation of the economy in Romania, and more precisely in the cases of HolcimLafarge and UP. We could not but note how attentive you were to us, first by bringing us together in a hall called Paris, but also by focusing on details, as there is a “Paris Right” room and a “Paris Left” room, which is not exactly the same thing. As we are in this one, and not in the other, I think that the opinions of a large majority of people here are expressed through this place.

As a first impression, I would point out that the tone of the first two colloquia (Madrid and Rome) was somewhat painful, rather difficult, because Spain and Italy, and undoubtedly France as well, were subjected to the internal devaluation rationale. This development resulted in particular to a challenge of social statuses, a drop in or freezing of wages and massive restructuring operations, topped by a shared feeling that regression is somehow inevitable. This morning, when our Romanian friends spoke about the situation of their country during the panel discussion on business restructuring in Romania since 2008, they described brutal restructuring operations carried out to make the Romanian economy more competitive. We had the feeling of a lucid acceptance of the construction in progress. This reminded us of a reality we tend to forget, particularly in France: we find ourselves in a unified economic area where some countries are suffering very hard compared to their initial situation, while others see this Europe of 27 member states as a sign of hope and a chance for development. The positive achievements, and not the least important ones, include many elements on the development of the negotiation of collective employment contracts, wage bargaining and increase of salaries, and the implementation of training systems. We are by no means painting a positive picture only, but it would be wrong not to cite the tone that reflected a change different from that in France, Italy or Spain. Europe is therefore perceived in terms of countries with quite different economic and social assets.

My second remark pertains to the heading of our topics grouped under the title “anticipation and participatory change management during periods of crisis and technological change” which we broach through case studies. I think that all those present here share a simple idea, namely that when faced with painful changes and restructuring, companies must make sure that management, or the shareholders, and employees engage in dialogue. But that view is not shared by all the people who have thought on these subjects, as could be gauged from what was said at the previous colloquium in Rome, for instance, where we studied the case of ST MicroElectronics (Franco-Italian company that specializes in electronic chips). Business managers were on hand on that occasion and spoke at length, as did the trade unions. The latter challenged the company representatives rather harshly at times. In reaction thereto, at one instant, the company’s CEO said rather peremptorily: “It seems clear that problems of strategy fall under the purview of management and the shareholders, not employees.” This statement shows the gap that separates the different visions. Some think that things to do with strategy fall under the exclusive responsibility of managers and shareholders, but that it is normal to speak with the trade unions about the social consequences of restructuring in times of crisis. In other words, there is no discussion of what creates these conditions nor of changing anything.

Yet someone showed us another possible model today. The representative of UP, formerly the “Chèque déjeuner” group, explained that we could not distinguish one from the other. When we have to undergo a transformation, either because we want the company to grow, or because the economy changes, our vision must be harmonized and turned in favour of development, while remaining watchful of the social, economic, and remunerative

conditions, training but also strategy. It is normal to have different views of how to deal with these concerns on the institutional and structural front, because several courses of action are available. Some think that these strategic issues must be broached with employee representatives at all levels, particularly by granting them seats on the board of directors, as is the case in Germany with co-determination, or in France since 2012, albeit in a more limited form; others believe that strategic problems do not have to be discussed with the employees.

At each of the seminars, the accelerators in changes and restructuring operations that occur during periods of crisis raised questions for us. For instance, the Holcim-Lafarge merger was brought about essentially for financial reasons, because of the debt of Lafarge, to which was added the desire of the Holcim shareholders to get rid of a rather embarrassing shareholder. In other cases, realignments or mergers were brought about for purely industrial reasons. It seems to me that there is a distinctly European element, beyond the parameter of new technologies, which must be kept in mind, because it is indicative of the entire European dimension: it is the large European single market, the one wanted unanimously by the heads of State and government. It necessarily accelerates all the restructuring needs of companies. Had they considered the consequences when they decided on it in 1993? Probably not, even if they necessarily called for the emergence of European leaders in many sectors. Before that, policies led to the emergence of leading companies in their own national market.

This remark is pertinent because we know that public opinion in various Member States, or at least in France, has doubts about the value of the European Union. Whereas doubt persists about the European project, a certain perception of the situation is felt by all citizens, albeit to different degrees from one country to the another, but of the same nature nonetheless. Many believe that the economy has been freed from all forms of political control. But there is a tendency to think that a shift back to the national level is needed in order to regain this control of the economy and particular interests. This is where the discussion stands today. I think this makes absolutely no sense because in reality, the globalization movement affects nearly all the economic and social forces in the world. Only the European project would make it possible to regain a form of political control on the economy, to the extent that it would assume the objectives it has entailed from the outset, and which have perhaps been lost sight of. What can be said today of socio-economic convergence, of the completion of a European labour market with social rights accessible in all countries, social investments and convergences in progress? Do the founding principles we know apply as of right? Shouldn't we return to them during this period of doubt that we are going through in order to help put the European Union back on the track that had guided it at the end of the 1950s?

Europe is an area of diversity thanks to multiple national histories. It makes sense that the social dialogue and the place of the social partners in the changes under way must address a wide diversity of social models. We may well wonder whether there is a document somewhere that defines the responsibilities of the works council in the 27 EU Member States in case of profound change or crisis. Jacques Fressynet, who is thoroughly familiar with these systems, told me there is no such document as far as he knows. Each country has its model. The role of the works council in France is to provide advice and expertise or to appoint experts, but its negative opinion does not stand in the way of continuing to move forward. There is a right to veto at Air France KLM, a group I know well because I have served as its chairman, and the matter is then referred to the courts to make sure that representatives did not abuse their rights. Some called it the "horn" system: the company honks, but only to warn that it is passing by. It does not slow down and does not change course. In Germany, where a works council exists, its members can stop a project, because its social consequences would be inordinate, for instance. Here once again, everything is carried out under the control of the courts. The Dutch model too includes real veto power.

In the midst of this diversity, we could also ask whether a totally constructed form is relevant. That said, I think that beyond the political situation which I sketched out ever so briefly, we are at a time when initiatives are proliferating. Our work at Lsaire and in the colloquia comes up with initiatives in particular to make progress on change in a global manner. The net initiative will concern the core of European social rights. This is not a positive right, that would be applied immediately in all European countries, but rather a definition of strong guidelines which the different countries would have to espouse and then implement.

The time is right because the Commission, aware of the fact that many Europeans are growing weary of the common project, is open to recreate a collective and shared ambition. Conclusions on this issue will be drawn next October in Paris. The more information given on the corporate strategy, or at least on its consequences, the more employee representatives will be able to have a motivated opinion and boost their capacity to judge a project.

Another issue to underscore is monitoring. An opinion, positive or negative is expressed, then a European works council or another body gets involved; then a right to monitor would be applied during the implementation of the commitments undertaken by and between the company's management and employees. Another point on which we can make a proposal: the principle of non-regression. Nowadays, Europe is too often considered responsible for a

certain social digression, on objective grounds for that matter. At the same time, there is an affirmation of the principle of non-regression in European law which must be given a real effective, social and political meaning. I think that it can be used to build new rights to guarantee better information for employees and their role in terms of strategic development, crisis and restructuring, but also participation in a project of the company as part of a European whole.

The essential part of the work remains to be done, i.e. beyond what we have gleaned in Madrid, Rome and Bucharest, and what we will sow after tomorrow in Frankfurt, Germany, we must persist on endeavouring to build this complex structure and the desire to cultivate this great social diversity which is a source of wealth in Europe. Let us continue our work on proposals that are really applicable and will be welcomed by all with trust in all the national cultures. It is essential to breathe new life into the European project now more than ever before if we want to prevent the economy from escaping political control completely. The objectives set by the founders of Europe, i.e. a convergence that would mean progress, not regression for the Member States and their inhabitants, can only be achieved within the European framework, in my view.