



**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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**FINAL CONFERENCE OF PARIS**





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### EUROPE WORK EMPLOYMENT

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

## RECORD OF THE PROCEEDINGS

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## OPENING OF THE BIENNIAL

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Chairman of the Lasaire Steering Committee

**Françoise Lareur**

Administrator of the MACIF

**Joël Decaillon**

Vice-President of Lasaire

**Georges Dassis**

Chairman of the European Economic and Social Committee (EESC)

◆ **Roger Briesch**, Chairman of the Steering Committee, France

Welcome to the concluding session of the 12<sup>th</sup> Lasaire Biennial. I would like to thank MACIF for the welcome they extended to us and for the facilities placed at our disposal, as well as the steering committee, the organizers and the moderators of the forums, representatives of companies that have been the subject of research, the Commission which finances this initiative, the European Economic and Social Committee, and the organizations and institutes that have sponsored us. Special thanks are in order for the host team of this session, for our Spanish friends who are with us on their national holiday, for Guy Juquel for his input and for Laura Scharr, our assistant, who has made a large contribution to the success of our work.

◆ **Françoise Lareur**, Director of MACIF, France

Welcome to the Paris headquarters of the mutualist group MACIF. It is a real pleasure to continue through this seminar our partnership of long standing with Lasaire – a partnership based on our common values. We are opening it to our representatives of members and employees, because it provides important social and societal, European and even international insights.

I am delighted to be able to take part in your deliberations and to listen to your recommendations on how the world of work can be transformed under optimal conditions so as to enable every employee to play a role, through his or her representatives, and to help build the companies of tomorrow in a strong and humane political, economic and Social Europe in peace that is open to all.

MACIF is a mutual insurer driven by values of sharing, humanism and solidarity in the service of our members. Its governance includes representatives stemming from the five major trade union confederations, merchants and self-employed individuals, large structures of the social and solidarity-based economy, and more generally the civil society. We provide coverage to 5 million members and affiliates today, i.e. more than 12 million persons, and generate a turnover of €6.5 billion. We have about 10,000 employees and 2,000 elected delegates and representatives of members.

We want to develop of a human, solidarity-based and responsible economy, which protects and supports, and which benefits the largest number of people. We want an economy that helps everyone to remain self-sufficient throughout their life. We are constantly trying to develop products, offers, services and support that align all responses to the needs of our members, but also to the social and environmental needs of the territory as a whole. We are involved in social innovation, but also in a very close relationship with our members and the structures of the social economy with which we work.

Our proceedings and guidelines are therefore valuable for our own reflections. I wish you a fruitful session.

◆ **Joël Decaillon**, Executive Vice-President of Lasaire, France

This 12<sup>th</sup> Lasaire biennial is devoted to anticipation and participatory change management in companies during a period of crisis and technological change. When we submitted this project to the European Commission in 2015, we did not know that the subject would be so topical.

Today, more than ever before, mergers and restructuring operations are part of our economic and social daily life, without overlooking the environmental dimension, as environmental damage and risks for the short and long term have become gradually recognized as major constraints of strategic value for the development of countries and multinational companies. The reason is the global expansion of competition with the emergence of powerful economies in China and India, which account for 40% of the world's population, to which is added the intensification and diversification thereof, far from the optimistic and condescending projections of what is known as the Lisbon strategy, which foresaw a sustainable continuation of Western domination through the control of the knowledge economy. Among the most recent major mergers, two concern a group that we have studied: the Alstom group, and more specifically the merger of Siemens Mobility and Alstom Transport on the one hand, and the Atlantique shipyards with Fincantieri on the other. According to the French government, these two mergers were carried out in the name of the European construction in order to deal with the Chinese competition on the world market. As such, they are in line with the industrial realities in the beginning of the 21<sup>st</sup> century.



Do these two operations of Alstom Siemens and STX Saint-Nazaire FINCANTIERI constitute a factual forerunner of what could end up redefining an industrial policy in Europe? From the doctrinal perspective, this would be a considerable change from the 1986 Treaty and its Single European Act which enshrined competition policy as the main prerogative transferred to the European Union. This policy has become the focus and justice of the peace of European construction in the economic and social field. The European Commission has since then spent its time fighting against concentration in the name of the concept of competition on the European single market and the priority given to consumers.

Let us keep this topic in mind, even if it is not the focus of our biennial. Why? Because it is symptomatic of a coherence that is crumbling. By forming the market which is still the largest in size at world level, the European states thought at a certain time that this situation conferred on them a competitive advantage for the long term, making possible the idea of a new construction in peace and social dialogue: the generalized principle of collective social protection met general approval at the time. As in the case of the Fordist compromise, analysed so aptly by Bruno Trentin, it is in a way the coherence of this base that guaranteed the social acceptance of the necessary changes to come, particularly the restructuring operations it could entail; whence the creation of European works councils that met the need to find premises that brought together representatives of trade unions and the staff of transnational decision-making centres of companies. The European works council remains to this day an important body for the transnational social dialogue. It exists only on our continent for that matter, though its originality could prove a source of weakness in the face of globalization, if the institution does not get a second wind under a new coherence in European industrial policy and its intelligent defence in the changing context of globalized competition. We cannot but note, and our studies and seminars describe as much in part, that 25 years after it came into being, the functioning and results of these institutions are far from satisfactory.

In more general terms, we should need to refer to the significance and conditions of the social dialogue against the context of the major transformations under way as transitions in which they will have to take part. I cannot do better than quote Alain Supio who in a recent editorial in *Le Monde* wrote the following: "After overturning the old order of the world (...) the previous industrial revolutions ultimately led to the recasting of international institutions and to the invention of the welfare state. The internal peace and prosperity of European countries in the post-war period must be credited to this new form of the State: integrated and efficient public services, social security extended to the entire population, and a right to work, conferring on employment a status that guarantees employees a minimum of protection." These institutions are today destabilized and questioned (...) by neoliberal policies engaged in an international race for the lowest social, fiscal and ecological bidder. They are also due to the computer or rather digital revolution, which is shifting the world of work from the age of manual labour to that of "brain labour" as Michel Volle has put it. We no longer expect workers to obey orders mechanically, but we demand that they achieve the objectives set by reacting in real time to signals they receive.

As we underscored during the Rome seminar, mergers and acquisitions attained a figure of \$5000 billion, i.e. 35% more than in 2014. The USA and Asia Pacific are at the forefront with \$2470 and \$1270 billion respectively. In Europe, this figure is maintained at \$1070 billion, in spite of a decline in financial size in France and Germany, but not in number of operations, which are up by 12%.

By way of reminder, 60% of trade today takes place within multinationals.

The emphasis placed by "European" multinationals on concentrations in Europe itself does not prevent them from continuing to project themselves outside Europe. It is for that matter symptomatic to see that at EU level, since the Barroso presidency, competition issues are no longer geared to deepening the internal market as their sole priority, but to opening the European market through negotiations of free trade agreements (CETA, TAFTA, JEFTA).

As Anne-Marie Grozelier pointed out at the second forum, a distinction must of course be drawn between economic restructuring operations and mergers-acquisitions: the former entail creative destruction whereas the latter stem directly from the creation of a European market. National and European rules apply to these restructuring operations while the regulation of competition that I mentioned a moment ago is conducted solely by the European Union. Nearly all the cases that we have observed appear as responses to globalized competition. Whether it be Iberia British, Airways, Nokia Alcatel, Alstom General Electric, or Holcim Lafarge, the size effects constitute the major reasons for these mergers-acquisitions. In all the cases we have studied, the operations undertaken lead to a "rationalization" of organizations in terms of administration

and the production apparatus. This rationalization strategy can be seen in the recovery of the Siemens group, in particular through the disposal of significant lines of business. They generally lead to considerable job cuts, particularly in management, the closing of production units, and may be accompanied with relocations. They can be enlivened by managerial struggles at the highest level as was the case in the Lafarge Holcim merger.

As Jacques Freyssinet will point out at forum n°1, these operations at times reflect the need to deal with major technological innovations or changes in the modes of production and distribution of needs and services in progress or to come. This is particularly the case for Nokia Alcatel, STMicroelectronics, and FNAC Darty. Most have to do with the eruption and rapid progress in digital technologies that are revolutionizing the work methods, process management and social relations. The cases of Alstom and Lafarge moreover show that strategic false moves undertaken previously had weakened the financial viability putting the groups concerned in a vulnerable position with regard to their competitors. The historical sequence of Alstom that is playing out before our very eyes, where Alstom Transport follows suit from Alstom Équipements, is particularly telling when it comes to earlier errors. As you will note, the composition of the capital has repercussions on the management of these restructuring operations, but also on the capacity to anticipate and open negotiations well before the final decisions are taken. The case study of Bosch is particularly revealing in this respect, as is the case of the cooperation structure (UP chèque déjeuner). These fundamental trends that are having profound changes for organizations are taking place in a context of rapid changes in labour law, characterized by a labour market that is becoming increasingly more flexible because of the financial crisis in 2008. This flexibility trend is picking up steam in countries in the South in particular: it has not led, even approximately, to managing or anticipating better changes, restructuring and other mergers.

It is worth noting, as unfolding events show with the aforementioned mergers of Alstom Siemens STX Saint-Nazaire Fincantieri, that the emerging need to put European leaders in place has not led to any questioning, albeit necessary, of the most often unilateral nature of business governance. At no time did the European Commission or the Member States consider backtracking on the reform of the companies law or the exorbitant role of the rights of shareholders, accounting legislation, or financial legislation.

A new contradiction between the growing interpenetration of European economies and their absence of convergence is added to the development of competition between companies, leading in particular to an incapacity to reduce social inequalities through the successive enlargement. Quite the contrary: the 2008 crisis, for instance, exacerbated the wage inequalities between Portugal and Germany. Since 2008, the gap of average salaries between the countries in the East and South on the one hand, and the countries in the North on the other, has widened. Accordingly competition is increasing not only outside, but also inside the EU, contradicting the theory of the narrowing social and wage gap which was one of the driving forces of European integration -- with as different an employment level from one country to the other in accordance with their state of development when they acceded to the European Union and the low capacity to catch up, which was stopped notably by the crisis of 2008. Furthermore, as Joël Maurice will elaborate in the introduction to forum n° 3, the dissemination of digital technology to a greater or lesser extent in the European economy in turn entails risks of growing inequalities due to the competitive divergences and the development of qualifications that ensue. The digital transition must not be seen as simple technological and economic fact, but as a political imperative -- that of gaining a broader and more cooperative approach at European level.

During our Frankfurt seminar, Wilfried Kurtze, an economist at IG Metall, indicated that the number of gainfully employed workers in Germany had increased considerably to reach 44 million in 2017, compared with fewer than 39 million in 2005. He underscored that during the same period, which corresponds to the Hartz reforms in 2003 and 2005 on the regulation of the labour market, this increase in the number of workers was accompanied by a drop in the number of hours worked: a direct consequence of the increase in the number of precarious jobs involving reduced worktime. He specified that the quantity of low-paying jobs had actually doubled. At that same seminar, Ralf Götz, head of the European economic committees at IG Metall, spoke about the case of Bosch, indicating that they were going to build a chip and semi-conductor plant in Dresden. This plan represents an investment of €1.5 billion and will create 700 jobs. Both indicated that the creation of new jobs in industry required such level of investment that it was illusory to think that we can one day ensure generalized coverage of employment needs through industry, and that is one of the main problems that arose in managing the anticipation of technological changes and restructuring operations. This example does not pertain exclusively to Germany: as a result of the development of production apparatuses and technologies, in 1980 the French worked 41 million hours to produce €1000 billion, while in 2014 they worked 40 million hours to produce €2000 billion.

This development shows, if required, the need to broach all these issues which have been debated at EU level for decades without leading to any real negotiations, in particular because Business Europe has never wanted negotiations focused on a renewed vision of the relationship between work and employment.

Understanding the causes of these restructuring operations, mergers, and the capacity to anticipate are essential so that trade unions can assess the relevance of operations in progress or planned, and if necessary, make counterproposals, and that their representatives have the time and means to rely on external expert support to conduct their analysis in complete independence. The general observation by Guy Juquel in his note shows that unfortunately employees and their representatives were not able to play their role fully in the decision-making process in most cases. They were certainly involved in the process, but essentially to manage the social consequences and in particular to put new institutional structures in place in accordance with the European commitments and the European directives in this field, particularly with regard to the establishment of new European works councils. I think that a certain number of participants could attest to these processes.

As we shall see in forum 2, the manifest information asymmetry between management and staff representatives creates imbalances. To these should be added the specific difficulties of mergers, which usually involve very different corporate cultures, industrial relations systems and management styles. These barriers to smooth relations, particularly in the case of negotiations to create a new European works council, can lead to paradoxical situations as was the case in the Nokia Alcatel merger where the Nokia Group, albeit reputedly of "Scandinavian type," chose to put in place a new EWC based on the subsidiary requirements of the European works council directive. Worse still, the management of Nokia did not honour its commitments and backtracked on the redundancy plan, as the management of General Electric had done for that matter in the case of the merger with the equipment segment of Alstom.

The extreme heterogeneity of the situations and the extreme concentration of decisions with an almost uniquely financial approach make the discussion particularly difficult, especially as regards the development and retention of expertise. From this point of view, countries with co-determination have adopted a far more open approach yet one which often remains strictly national in spite of everything. Wouldn't such a phenomenon be highly susceptible to change in future? That is the question Lasaire has been asking since it was created – one that we think is even more topical at this point. For we really need new negotiating spaces. In that respect, the role and the prerogatives of European employers' and trade union federations would become an essential stake for taking into account the value chain, all the companies that contribute thereto, often in relations of subordination which lead to forms of two-tiered wages. Such a development is necessary if we want to cover the entire spectrum from the researcher to the temporary worker through homogeneous and solidarity-based negotiations.

Faced with a situation of complex inter-company relations where several spatial levels are involved, with a plethora of widely different stakeholders, the integration of the company in a territory, irrespective of its nature, becomes decisive. Jean-Luc Gibou underscores in his note the importance of territorial stakeholders, the very wide diversity on the demographic and geographic front and in terms of skills. As far as we are concerned, it seems decisive that relations between the company and the territories in which it is established are assessed and are the subject of a consolidated approach. A company considered as a common good shared by all its stakeholders, is a company where environmental, social, public health and food safety standards are applied with fully transparency. In fact, we need to bolster the rights inside the companies as part of a new conception of participation or co-determination that will make it possible to assess its role and the conditions of its development differently.

The example of the Lafarge Holcim world works council is interesting from this point of view. The establishment of such a world works council for this group stems from recurrent health and safety issues owing to the production processes in cement works and for aggregates: in many countries, the risks run by workers are serious and the environmental problems no less so. I shall leave aside the aspects we broached in Bucharest on the attitude – contentious, to say the least -- of the Lafarge management in its relations with Daesh in the Middle East, as well as the offer of services that it considers it can provide to build a wall between Mexico and the United States – even though both show the need for a more shared vision of the responsibility in companies and the great transparency needed in the decision-making process. In the same vein, it is imperative to draw lessons from the several scandals that occurred during the present period, in particular "Dieselgate" which concerns at least 3 European manufacturers, but also the behaviour of Monsanto, in the

process of being merged with Bayer, concerning glyphosate and the various food health scandals that have occurred, particularly in the Netherlands.

The European summit held a few days ago affirmed the necessity of a system of legitimate and fair taxation for GAFAM. We would highly appreciate another summit soon that would show, just as clearly, the benefit of calling on the collective intelligence of workers to chart a strategic approach for these large multinational groups in the search for social and environmental wellbeing. The principle of the redistribution of wealth cannot be confined to a charitable activity through foundations, which is only one of the avatars of fiscal optimization. It becomes necessary to enshrine this new competitive landscape that confers enormous economic and strategic power to multinationals in a broader democratic vision and to renew extensive rights at all management levels with a real effectiveness based on the respect of environmental social law and public health. Re-examining the anticipation, restructuring operations and approaches must be considered with a positive take on new participatory forms so as to involve fully all the stakeholders through a clear definition of the company based on effective consultation structures that take into account the reality of the value chains. The European Union needs to reassess and recast the directive on European works councils, which twenty years after it was created, is not capable of preventing the emergence of stalled situations or to provide effective means for getting out of them. It is now necessary to commit resolutely to a vision that takes account of the problems of society and globalization and to a broader conception of participation that can go as far as inventing forms of co-determination where such forms did not yet exist, or improving those that have already shown their mettle.

Dear friends, this is an introduction, not a summary. I merely touched on a certain number of issues and I would now like as active and fruitful discussions as possible in the three forums which we provide to lead to consistent proposals.

I would like to thank all our partners who enable us to carry out this work, part of which has been issued as a brochure. I apologize because they are only in French, but we simply do not have the financial means to publish them in other languages. You will nonetheless find all our deliberations in English on our website.

I wish you a very nice stay in Paris, and I hope that we can share a constructive vision of our old continent, for we need it, as many elements around us are inciting us to turn inwards rather than to open up. But like many of you, Lasaire does not subscribe to a narrow sovereigntist vision of the world of tomorrow, but on the contrary, to a vision of the world which has never been as shared in terms of knowledge thanks to the new means of communication, one that deserves to be bolstered through solidarity, where Europe perhaps has to be one of the vehicles of that solidarity.

◆ **Georges Dassis**, Chairman of the European Economic and Social Committee (EESC), Belgium

When the theme of this 12<sup>th</sup> Biennial was announced two years ago, I hailed the determination to depart from the beaten track and hoped that a profound reflection ensue and prove useful to trade unions and companies alike.

In order to take action, we must have actors first, i.e. trade unions that reflect, act and go beyond the boundaries of the profession, in the sense that they gauge workers and society as a whole, including those out of work, whether on unemployment benefit or otherwise. We need trade unions that abandon clichés and do not reason with slogans. The latter have long been necessary because we were endeavouring for the essentials: developing schools and reducing working time. We can no longer be content with just that.

We therefore need to reflect and to organize European – not world – training schemes, because experience has shown that we invoke the world dimension to conceal weaknesses at the European level, just as we invoke the European dimension to conceal weaknesses at the national level. I am deeply attached to a more united Europe.

The European social dialogue was launched in 1985 and has produced fine results, such as the collective agreements on parental leave, part-time work or the fixed-term contract. Then the employers no longer wanted to continue concrete negotiations: discussions led to joint statements. We stopped having real employers before us: our interlocutors are henceforth most often legal experts, themselves salaried employees,

without a mandate to negotiate. In parallel the national federations did not mobilize the means and resources to organize European confederations as strong as said federations are at the national level.

Productivity has gone up continuously in the last 30 to 40 years. Human beings are increasingly being replaced by machines. Instead of decreasing, working time has increased in some countries, and this trade union demand has disappeared: only France has applied the 35 hours. Then, we must not be reduced to misery in order to adhere to a society project. Solidarity has to be organized at European level so that the human beings who live on these territories can continue to live with dignity. Major social investments are necessary, and they cannot come solely from the national level, due to the constraints on the budget deficit, but also from the European level: the Juncker plan should serve in particular to that end. Instruments should guarantee a level of economic and social cohesion for all regions and for citizens. The structural funds must be increased generously to that end: at less than 1% of GDP, the budget of the European Union is not worthy of the objectives it sets. By way of comparison, the federal budget of the United States represents 22%. Other forms of financing can be considered: in 2010, we proposed taxing financial transactions, a trade union demand that is today defended by the European Commission.

The Member States must become aware that they have everything to gain from the construction of Europe. Otherwise, we risk a situation where young people under 30 no longer know why they are living a certain level of wellbeing. Concrete actions are needed that appeal directly to citizens to convince them that their future lies in a solidarity-based union that is concerned about its citizens as a matter of priority. If the construction of large European companies is a priority, competition recedes to the background in my view. The first thing needed is a European industrial policy or investments in research and development to prevent young people from leaving Europe to acquire advanced knowledge.

Finally, I would like to congratulate all those who think and work at Lasaire: our societies need to develop such reflections beyond trade union movements. By mobilizing the broadest scope possible, we will come up with realistic and feasible proposals and perhaps wind up convincing decision-makers to go in the right direction so that our children can live in peace, dignity and relative prosperity.

◆ **Roger Briesch**

We are all in favour of a united Europe, but the current functioning is blocked. Some, including myself, are endeavouring for changes which, without excluding the others, would lead to significant advancements to provide an effective response to the expectations of citizens. This biennial is in line with the previous ones dedicated to "Europe, work and employment." Edmond Maire, who left us a few days ago, used to say: *"If a society project does not include access to work for the most vulnerable citizens, then the term "society project" would be a complete sham."*





## FORUM N° I

**What changes should be promoted, at european and national levels, in trade union and managerial strategies and practices for a social dialogue that would enable companies and employees alike to find solutions, as part of restructurings of multinationals, that lead to solutions wich meet the interests of all side ? Wich authorities, wich means and resources, for true and proper negotiations ?**

**Ramón Baeza San Juan**  
Director of 1° de Mayo Foundation

**Jacques Freyssinet**  
Economist, Lasaire

**Jean-François Tamellini**  
FGTB Federal Secretary

**Arturo Garcia Hidalgo**  
Member of the works council Nokia Spain and member of the CEE Nokia, CCOO

**Mariano Fandos**  
Confederal Secretary, CFDT international and Europe department

**Jean-François Lebrun**  
Former Head of unit adaptation to Change of the European Commission

**Also participated in the debate :**

**Françoise Geng**

Vice President of the European Federation of Public Service Unions and member of the executive committee of ACES, CGT

**Alain Squilbeck**

Magistrate at the Brussels Labour Court

**Jean-François Lhopital**

Member of Lasaire, former HR Manager, France, of Thuasne

**Jean-Claude Boual**

Member of Lasaire, former General Secretary of the CGT Federation of Equipment and the Environment

**Paul Rivier**

Member of Lasaire, former CEO of TEFAL, CALOR and the INSA of Lyon

**Clemens Suerbaum**

Chairman of the central works council, Nokia

**Marjolijn Bulk**

Policy advisor, FNV

**Paul Rué**

Member of Lasaire, Contributor to the Association Europe&Société RDS

**Jean-Pierre Le Men**

Member of Lasaire





◆ **Ramon Baeza San Juan**, Director of Fondation 1° de Mayo, Spain

Everyone agrees that the results of the social dialogue in Europe remain limited. They have remained mediocre at the sectoral and inter-sectoral level. They are better for multinationals, but were obtained in the EWC and not in social dialogue committees. The social dialogue has not produced results in the last ten years, which have been marred by the economic crisis. The European institutions and most member states have focused on reducing the contractual capacity of worker representatives, and this has impoverished the social dialogue and collective bargaining in Europe. This trend was marked to a greater or lesser degree depending on the States; the effects have been particularly detrimental in my country of origin. The trend seemed to be reversed when Jean-Claude Juncker took over the reins of the European Commission. It remains to be seen whether his stated policy will be applied in practice.

Change is inevitable in companies due to globalization and digitization. We can nonetheless control their consequences so that restructuring operations can stimulate the competitiveness of businesses. At the same time, they must be responsible, contribute to social cohesion and be a driving force for quality jobs. To that end, a real social dialogue is indispensable, beyond information and consultation.

The management of the crisis has left deep wounds: unemployment, inequality, precariousness, reduction of wage earnings in all national revenues, democracy has deteriorated in many Member States, citizens have become estranged from European projects. The social dialogue can play a decisive role to recover the trust and confidence of citizens, but for that we need tangible results. If we are critical to the drift of the European project, we must at the same time realize that there is no alternative solution. Nationalist alternatives are not relevant and we cannot turn back. As Jacques Delors used to say, when the European Union is in danger, we need strong, and committed social actors.

◆ **Jacques Freyssinet**, Economist at Lasaire, France

Managerial strategies are differentiated according to the dominant stakes in major restructuring operations. In a first case, we pool similar activities to increase the size and acquire sufficient weight in world competition, as shown by British Airways, Nokia Alcatel, Holcim Lafarge or Alstom General Electric. The problem then stems from inevitable overlaps and the need to “rationalize.” In a second case, major technological changes may have to be managed regarding the mode of production for STMicroelectronics or Nokia Alcatel or the distribution of services for FNAC Darty. Once again, production resources cannot be brought together without reorganization. Finally, the failure of the strategy in one component of the merger triggers its near absorption by a more powerful group, as in the case of Alstom or Lafarge. The obvious risk is the carving up of the vanquished under the law of the victor.

The second source of heterogeneity has to do with the nature of the capital. In most cases that we studied, companies were “sociétés anonymes” as they are known in French (PLCs). The shareholding rationales are very present, with an action on the financial markets and the quarterly performance assessment which exerts enormous short-term pressure on the managers. The intervention of workers in the anticipation and management of anticipation appears as a constraint, a chore and a cost, whereby managers try to deal with a minimal timeframe and formalism. Other modes of equity ownership that lead to considerable differences must not be neglected. There are still groups where the capital is essentially still in family hands, as in Bosch for instance, or in public hands, as in STMicroelectronics, or in a cooperative structure, such as UP Chèque Restaurant. These groups are not freed from the need to be profitable, but the efficiency requirements may require a timeframe in the medium-long term.

Experience has shown that in all these groups, the trade union organizations are mainly seeking positive compromises. The question is whether managers are ready to embrace this rationale or whether the aforementioned demands lead to a reduction of the wage bill, maximized employment flexibility and unilateral management of reorganizations. The antagonism re-emerges, not for doctrinal reasons, but owing to management strategy. Where negotiation does take place, it is only to attenuate the social cost of restructuring operations.

The discourse of trade unions makes it clear that the solidarity of workers is expressed at the level of the entire group, and even on an international scale. In concrete terms, mobilisations proceed in an effective and sustainable manner only at local level. Rare are the groups where there is concrete proof of solidarity-based

mobilization. That represents a considerable challenge for the trade union organizations: how to articulate their global vision and concrete capacity to rely on local mobilizations.

Systems of national industrial relations remain deeply heterogeneous, and these differences have a tendency of hardening. First of all, the groups are global, but they have a central national site that remains very strong. The concept of the social dialogue may be very different among groups centred in Germany, which are imbued with the culture of *Mitbestimmung* [co-determination] and groups centred in the United States that have a strong anti-trade union tradition. Wide variations are also noted: *Mitbestimmung* is deeply rooted in national practices. Traces of it are visible in EU countries. The question arises as to what remains of these traditions when they intervene in the rest of the world.

Finally, we have observed the violence with which completely heterogeneous social dialogue cultures clash in the case of Alstom/General Electric, Alcatel Nokia or Holcim Lafarge.

The key issue in my view is the way solidarity is established in a context where the management strategy is often to pit labour collectives systematically against each other in competition. How can we get out of this bind, when the serious nature of local employment problems exerts an extremely strong constraint on the local trade unions and makes it difficult to define solidarity-based strategies?

Second, are we condemned to maximize profitability in the short term? Can we imagine groups giving thought to the relevance of medium-term strategies? All the studies show that the enhanced competence, commitment and motivation of labour collectives constitute a decisive element in the medium term for the performance of the groups. None of that will be done spontaneously: we need to strengthen the institutions and rules that lead them to take the requirements of the social dialogue seriously.

◆ **Jean-François Tamellini**, Federal secretary of the FGTB, Belgium

Three conditions have to be met for a real social dialogue. We have to have real employers with whom to negotiate. At Caterpillar, the local management was unaware that the group would close a site, putting 4,000 people out of a job: they were given instructions on their smartphones. Secondly, we need real trade unionists. We are confronted by major inequalities more than ever before, and for my organization, the class struggle is more relevant than ever before. We are nonetheless aware that we cannot build the social structure in an economic desert. Third, the regulatory framework must promote the social dialogue without being a straightjacket. For liberal Europe consultation rhymes with concession; the dialogue is considered as a constraint and the national governments are increasingly preventing employers and trade unions from engaging in dialogue.

A restructuring operation may be based on a poor strategic choice or the economic cycle: a dialogue is therefore needed between the employers and the trade unions to identify the means and resources to protect themselves and to continue to move forward. A restructuring operation may also stem from a short-term shareholding vision, i.e. motivated by direct profit without consideration for the long term. The number of mergers/acquisitions has not abated, but their results are mixed, while they cause major imbalances.

To remedy the situation, it is necessary to adapt, reinforce and modernize the relevant European regulations. The European Parliament resolution of 15 January 2013 “with recommendations to the Commission on information and consultation of workers, anticipation and management of restructuring” provides a list of good practices, but we have to go much further: preventive training and employment policies, obligation to justify restructuring operations and the refusal of alternatives for workers, and taking subcontractors into account. We expect a strong signal from the Belgian commissioner Thyssen.

It is also necessary to reinforce the directive on the European work council, a body that makes it possible to establish the necessary social dialogue. The Voss study of 2016 from the European Trade Union Institute shows mediocre results: the body can only react, with no possibility to anticipate.

In concrete terms, it is necessary to introduce the early warning mechanism created in France by the Auroux law: workers must be able to sound the alarm when they think that the viability of the company is compromised. Second, a right to an independent expert assessment must be introduced, as it exists in France, Germany, the Czech Republic or Spain. A legislative initiative is required to avoid market-based redundancies

and company closures that have devastating effects on the territories. We propose legal penalties in the event of non-compliance with collective redundancy procedures. Thus, the lands of Caterpillar were seized in Belgium. We propose recognizing the notion of economically dependent enterprise: when 20% of a company's turnover is depending on one customer, specific rules must apply. In particular, a social plan should not overlook the workers of those companies. In the end, workers are caught between a rock and a hard place in a collective redundancy plan: we ask for the staggering of private debts.

Finally, I would conclude with three proposals for convergence. Caterpillar used to make excavators in Belgium under ecological conditions. This production was relocated to a country where that is not the case. Protectionism is a taboo word nowadays, whereas the United States see no problem with protecting their steel market. Trade unions and employers must be able to take action if production is relocated outside Europe in order to import products that do not comply with environmental standards. Secondly, minimum thresholds are necessary at European level to avoid social dumping. Third, it is necessary to promote long-term shareholding: the savings of citizens must be mobilized to promote the long-term commitment of shareholders.

Finally, the digitization of the economy will entail productivity gains. The European trade union delegation could play an important role in the necessary discussion on the distribution of these productivity gains. The collective reduction of working time should be an important element.

◆ **Arturo Garcia Hidalgo**, Member of the Nokia Works Council and Member of the Nokia EWC, CCOO, Spain

I started to work at Alcatel in the 1990s and recently became part of Nokia. My company has known only restructuring operations in the last fifteen years.

In my experience, a restructuring must be gauged in the light of the social situation in the country: the unemployment rate, specific difficulties of certain groups to get reintegrated in the world of work after they are made redundant, the legislation of each country. Our countries have considerable differences, which complicates the social dialogue. It will certainly take several decades to arrive at a harmonized Europe.

The verticalization of businesses is another problem: multinationals are organized without national structure. The boss of a worker in a given country may be in another country. When an American manager, for instance, wants to fire a Spanish worker, he is used to a certain type of industrial relations which are not applicable to his subordinate. This state of affairs poses a problem for the worker, for his representatives and for human resources. This verticalization must go in both directions: situations vacant must be open at the international level. Thus, a worker in a difficult situation can hope to find a job elsewhere. Conversely, a worker from a given country must be subject to the situation of the country where he works, so as to avoid social dumping.

Trade unions find it very difficult to coordinate their efforts at European level, because of the differences between countries and diverging interests. In the case of Alcatel Lucent, the French leadership proved very useful in organizing actions at the European level: demonstrations at Alcatel headquarters or in front of the Paris stock exchange. Now that we are Nokia, the headquarters is in a country with a very different mentality. Moreover, the EWC has representatives from Eastern European countries whereas we are faced with internal relocations: jobs in Spain and France are moving to Hungary or other countries in the region, which complicates the presentation of coordinated proposals at European level. The European works council must moreover be provided with more resources and creating world works councils should be considered, the foreseeable difficulties notwithstanding.

Companies actually function on a rather short-term basis. When they have a long-term vision, we do not share it: their aim is to relocate work to countries with less protection for workers. Greater worker participation in the decision-making bodies, as is the case in certain countries, is an interesting idea.

When restructuring takes place a complicated process is initiated. Cooperation has functioned relatively well in certain cases, with recourse to volunteers which is more favourable for all the parties. Cooperation can also lead to expertise mechanisms, psychological support, temporary work reduction or redistribution measures, early retirement or internal transfers. All these measures help attenuate the social impact of restructuring operations.

Confrontation becomes necessary when management refuses the social dialogue. It is necessary to force the company to return to the negotiating table and discuss acceptable conditions for the workers. In my personal case, few strikes were held, in spite of the large number of restructuring operations: we thought that a strike would not be very useful, as there were no production centres in Spain. We opted for other means to exert pressure: for instance, in 2003, we were on hand when a delegation of customers arrived in Madrid. We went to Barcelona for the world congress of mobile telephony, in order to exert pressure on management. Image is very important for multinationals. Similarly, they boast that they score well on social responsibility, but no one asks the opinion of the workers. Finally, it is very difficult to conduct a productive social dialogue without real penalties.

◆ **Mariano Fandos**, Confederal secretary, International Service Europe, CFDT, France

I would first of all like to pay homage to a great trade unionist who passed away recently, Edmond Maire. When he was general secretary of the CFDT, in 1970, he defined the company as a “place of conflicting cooperation,” a statement that caused a scandal at a time marked by a radical antagonism, when the German co-determination seemed like class collaboration. This very antagonistic concept still has great resonance in Latin countries. This vision in fact echoes the Anglo-American concept of a company owned by shareholders where work is simply a variable of adjustment, a factor of production that can be treated like a commodity or a tool. The vision of conflicting cooperation is closer to that of Northern Europe or of Germany and gives us a perspective of a more European vision of trade unionism and the company.

Building on the impetus of impulsion Edmond Maire, the CFDT has continued to work on the place of the social dialogue in the company and a trade union vision of corporate social responsibility. On the first point, the articulation between company-level and sector-level bargaining has been often cited this last year. Against the background of globalization, the role of the sector is questioned, because of a lack of a European collective agreement. Beyond that, competition is on a world scale. Our objective was therefore to strengthen the role of the sector in certain points, but to give the company again the means and resources to solve the problems it faces. That involves a legal framework that strengthens the social dialogue and the means and resources given to the representatives in terms of time, training and external and independent expertise.

The CFDT also worked on the articulation between laws and agreements. The law cannot settle all problems, in fact: the trade union teams have to be trusted to lead to agreements that protect rights and employment.

As regards corporate social responsibility, we are working at the level of the European Trade Union Confederation to define an optional legal framework which, in the event of conflict, would make it possible to designate a regulating body in charge of applying international framework agreements. This vision is opposed to the employers’ conception of the CSR as an expression of the goodwill of companies, often used as a communication tool.

The CFDT is very much committed to the law and to the duty to remain vigilant, which requires large companies to assess the risks linked to non-compliance with the environmental standards and human rights, in co-construction with the employee representatives.

We more recently embarked on a reflection on the place of employees in the company. They are not a “stakeholder” like the others, as a certain Anglo-American view would have it, but a constituent part of the company. This connects to co-determination in the German way. The CFDT therefore tries to imagine what co-determination in the French way could be.

In our view, we must overcome an antagonistic vision of trade agreements, which would mean a destruction of the rights of workers. “Conflicting cooperation” can also be conducted on this level. The essential element for us is the way of ensuring compliance with the social and environmental standards contained in the chapter of sustainable development, which have no constraining force at this time. Penalties will therefore be necessary.

Finally, the European Commission has changed the discourse on the European social dialogue. At the European Trade Union Confederation, Jean-Claude Juncker announced that he wanted to make a “social AAA.” He also expressed the desire to make progress on a European platform of social rights, which would be proclaimed at the Gothenburg summit. These grand principles must be turned to reality. The European Trade

Union Confederation has made proposals in this sense. To take part in the European Social Dialogue Committee, I have also noted a radical change of attitude since June on the revision of the “written procedures” directive on the part of the European Commission, which the employers did not expect. We hope that this initial gesture will be followed by others.

◆ **Jean-François Lebrun**, Former head of the Adaptation to Change Unit of the European Commission, Belgium

I shall propose a number of approaches to possible strategies to be developed at European level for managing acceptable restructuring operations. I shall therefore not cover all areas or policies of a European nature that come into play, as they are numerous.

The *Quality Framework for Anticipation of Change and Restructuring* presented on 13 December 2013 is the Commission’s response to the European Parliament’s right of initiative on restructuring and the anticipation of change. This document provides an overview of recommendations made by actors inside and outside the company, for the short and the long term. The European Commission will present an assessment of how this framework is applied in the weeks to come.

This document underscored in particular the importance of employability. This subject was broached in a recent Commission reflection paper on harnessing globalization. The importance of continuing training is underscored therein as is the need for a distribution of the gains and negative effects of globalization. On the same subject, a recommendation was recently adopted on an approach to strengthen the qualifications of unskilled persons. The contribution of France to the core of European social rights also contained a call to develop a personal training account. These are possible avenues for developing employability and the portability of rights to training at the European level.

The second line of approach pertains to the European Globalization Adjustment Fund (EGF) which constitutes an instrument for limiting the negative effects of globalization. Endowed with sufficient funds, it functions quite poorly: its procedures are heavy. It has to be recalibrated so that it can be mobilized more rapidly. It could lay the premises for a European unemployment insurance, solely for the dimension of “active employment policies,” i.e. outside employment benefits.

Finally, a third line of approach is a proposal which went relatively unnoticed. In his address on the state of the Union before the European Parliament last September, Commission President Juncker raised the issue of a European labour authority. The information sheet on this issue drawn up by the Commission mentions that this authority could work on the management of restructuring operations which are particularly of a transnational nature and on the management of evolving skills. This action is planned for the end of 2018. It would then constitute Juncker’s last action as president.

The European labour authority, the right to continuing training and the reform of the globalization adjustment fund are subjects that would deserve to feed reflections and proposals. Why not help the European Commission to make progress in these areas which can help us manage restructuring operations and anticipate changes better?

GENERAL DISCUSSION

◆ **Ramon Baeza San Juan**

For a real social dialogue, genuine actors are needed, i.e. genuine business people and genuine trade unionists. Do the public authorities have a role to play in facilitating the social dialogue beyond a favourable regulatory framework?

Arturo spoke about the role of mobilization to strengthen the position of trade unions in bargaining. The strike is a classic mobilization, but is no longer an effective instrument in certain sectors. Could you elaborate?

Finally, Jean-François Lebrun seems to be the only one familiar with the Quality framework. Could you give us more indications?

◆ **Françoise Geng**, Vice President of the European Federation of Public Service Unions and member of the executive committee of ACES, CGT, France

Is the European core of social rights a fundamental preliminary issue to everything that was discussed this morning?

◆ **Alain Squilbeck**, Magistrate at the Brussels Labour Court, Belgium

What are the thoughts on the reversal of standards carried out by the French executive, whereby the sector- and company-level agreements are henceforth inferior to the individual labour contract?

◆ **Jean-François Lhopital**, Member of Lasaire, former HR Manager, France, of Thuasne, France

What is the percentage of European employees working for multinationals? Unemployed workers and employees of SMEs are left out of our discussions.

◆ **Jean- Claude Boual**, Member of Lasaire, former General Secretary of the CGT Federation of Equipment and the Environment, France

How do trade unions really take environmental problems into account, in particular those relating to climate and natural resources?

◆ **Paul Rivier**, Member of Lasaire, former CEO of TEFAL, CALOR and the INSA of Lyon

It is necessary to defend our heritage and to strengthen European regulations while adapting to a rapidly changing environment. How can we develop skills to anticipate? Will there be room for man and for the environment in the world to come? How can we anticipate in such a world which is constantly shifting, at least in Europe and in the United States? The restructuring operations carried out in the companies mentioned this morning were altogether foreseeable from my industrial perspective, as it is foreseeable that Apple will become a high-tech investment fund.

◆ **Arturo Garcia Hidalgo**

In my company we work on the basis of objectives and working times are very flexible. Interrupting the work for a few hours in no way harms it. So we thought it would be useless to call a strike. The last such movement goes back to the time when we still had production units in Spain.

As regards the environment, if we cannot have an impact on our daily actions (such as generating so much plastic waste in this seminar, for instance), and if we make no effort, it will be more difficult to convince multinationals or governments to be responsible on the environmental front.

◆ **Jean-François Tamellini**

The core of European social rights is in fact basic, but not constraining. The European trade union delegation could be a body capable of creating the conditions at supranational level to put this mechanism in place. Imports which do not comply with the environmental standards shall moreover be taxed.

◆ **Jacques Freyssinet**

As far as I know, there are no homogeneous statistics on the number of workers in multinationals, due to enormous methodological problems in defining the form of a multinational. If we take only employees under employment contract with a company belonging to a multinational, they are in the minority, in fact.

We are interested first because Lasaire has obtained funding from the European Union on this matter. We do not however overlook the employees working in other companies or the unemployed. For the rest, through their legal and technological domination and their policies of outsourcing along value chains, multinationals and their strategy concern a very large part of workers of the private sector, including the job destruction effects that feed unemployment.

Then, I would not wish to embark on an exclusively French discussion. Two rationales clash in Europe. On the one hand, Germany defines a sharing of fields of competence. On the other hand, the hierarchy of standards concerns essentially countries with a Latin heritage. France is in my view switching from a hierarchy rationale to a sharing rationale: public order fixed by law, collective agreements and subsidiary legislation. There was a hierarchy in collective agreements between company-level and sector-level agreements, governed by the favourability principle. It is challenged less by a reversal of the hierarchy of standards than by a sharing rationale. The sector-level agreement is imperative in its own fields, which have gone from four to eleven. Outside these areas, the company-level agreement holds sway. Finally, the hierarchy of standards was reversed in the relations between collective agreement and employment contract: under certain conditions, the collective agreement is henceforth imposed on the existing employment contract.

The question of legitimate and relevant places for the production of standards is just as essential. In the French imagination, the law grants absolute protection, whereas collective agreements are vaguely suspect. However, current events show that it is far simpler and quicker to amend the law in a retrogressive direction than to amend a collective agreement in that direction. Similarly, a national protective law that triggers relocations is not very effective. Standards should be produced at the European or the ILO level.

Giving importance to company-level agreements to promote employee representatives, as close to labour collectives as possible, is certainly a good approach. It is nonetheless under threat from a quasi-irresistible blackmail, when multinationals pit production units against each other in competition on an international scale. Thus, the Bosch group, which pursues quite an advanced social policy, pitted the French sites in competition against the sites in North Africa and Eastern Europe. Combative but lucid, the trade unions had to sign concession agreements to save jobs.

◆ **Mariano Fandos**

We do not believe in a reversal of the hierarchy of standards either. Exemption possibilities were introduced by the Auroux laws, and reinforced by the Aubry law on 35 hours. Derogatory agreements exist throughout Europe for that matter. The CFDT fought during the El Khomri law for such derogations to be controlled by majority agreements. The ordinances have unfortunately dismantled a lot of this protection in small companies.

It is said that the power relationship is more favourable to the sector. Experience shows that in reality, the reverse is true: it is easier to mobilize in a company than at the sector level, bearing in mind that trade unions have other tools than the strike to defend employees. The best power relationships are built in the company; the sector is useful above all for small companies in which trade unions are not present. We therefore wanted for derogations to be possible only in case of trade union presence. We must therefore henceforth fight for trade union presence in small companies.

The influence of multinationals extends far beyond the framework of their employees to the entire industrial fabric, including SMEs. European works councils would therefore gain from introducing subcontracting. The ILO is of the same mind in its work on value chains.

We have fought to make compliance with environmental standards a trade union issue, and not to leave it as a communication tool for employers.

Finally, we have not evoked taxation, which could be the subject of another discussion. Europe is beginning to take measures to get companies to pay taxes in places where they create value.

◆ **Jean-François Lebrun**

Restructuring operations constitute the tip of the iceberg: 90% of redundancies are in small companies and concern employees who do not have access to the same aids as in large companies. The restructuring framework moreover calls on sector-level organizations to play an active role in those small structures. The globalization adjustment fund is conducive precisely to such regional and sectoral actions, including among subcontractors.

Fortunately, we did not wait for the core of social rights in order to work on this matter in Europe. The directives on collective redundancy, company transfers, information and consultation, European works council, equality between men and women, health and safety, etc. are worth citing. The treaties nonetheless fix jurisdictional boundaries: the right to strike or remuneration are excluded, for instance. The social partners have also concluded European agreements – a unique occurrence in an international structure.

The core is added to this whole. It makes it possible above all to deal with developments in our society in a global world and with the digitization which is transforming jobs. The core does not create new rights: it is not a charter of social rights. It issues appeals to the States: do they have measures to offer social security for all? Do they have high level services? The commission intervenes also in areas under its purview, where there is European added value, for instance on leaves and written proof of the employment contract.

Similarly, the restructuring framework contains appeals to all the partners beyond the Commission: The Member states have an essential role to play on the social front. EU action can be deployed in areas of a transnational nature, such as for the European labour authority: posting of workers, transnational restructuring.

◆ **Clemens Suerbaum**, Chairman of the central works council, Nokia, Germany

Employee participation is a key element for me. Managers know that a change is easier if the workers understand it and are not the victims of it. Participation could be a competitive advantage in Europe, where there is a civic, democratic and social culture.

◆ **Marjolijn Bulk**, FNV, Netherlands

Monsieur Lebrun mentioned a draft directive on the written proof of the employment contract. How is it possible, bearing in mind that the second phase of consultations with the social partners is in progress? Then, could you refer to the Commission's role in the European social dialogue? It refuses to transpose the agreement on hairdressing and the one on services into directives.

◆ **Paul Rué**, Member of Lasaire, Contributor to the Association Europe&Société RDS, France

Could you refer to the restructuring framework? The problem of industrial changes is an old labour issue at the European level, but the employers have always been reticent about a frame of reference for a real dialogue on restructuring. Is a breakthrough possible on this front one day?

◆ **Jean-Pierre Le Men**, Member of Lasaire, France

The discussion has broached the relationship between the centre and the periphery in multinationals. To cite a recent example, did the management of Alstom actually want to assert its real value in energy, whether in turbines or wind farms?



◆ **Jean-François Lebrun**

It is a matter of revising the 1991 directive which already pertained to written proof of employment. I am not very familiar with the subject, because I have retired from the European Commission. As I am no longer bound by an obligation of discretion, I shall be more critical: it makes no sense that the sector-level agreement on hairdressers was not extended. The Parliament and the Council are not necessarily allies in that respect: the agreement of the social partners deprives them from a role to play. One distinctive feature Europe has is the capacity to make an agreement of the social partners mandatory at the inter-professional and the sectoral level.

The restructuring framework was published in 2013 after five years of work, but the concern of the Commission and the union on this matter goes back to the Gyllenhammar report of 1998. A consultation phase for the social partners on the matter was held in 2002. The reference guidelines of the social partners were never approved by the European Trade Union Confederation. A Commission green paper was devoted to this subject in 2012. The European Parliament supported a request for a legal instrument on anticipation of change and restructuring, whence the Framework of 2013. It is difficult to predict the next phase. In any event, power relationships are needed to resort to the most appropriate instruments.

Mr Juncker is very pragmatic. He is undoubtedly aware that not all the social partners are asking for -- and that certain Member States are not very much in favour of -- the regulation on the matter. We should seize the opportunity to see what the Commission is prepared to do and support it.

◆ **Mariano Fandos**

The Social Dialogue Committee broached the revision of the written procedures directive in June and September. At issue in the first consultation phase is to determine whether the social partners want to negotiate. The employers proposed an exploratory discussion group which in practice would lead to postponing the subject to the next legislature. ETUC has therefore asked to negotiate immediately. To everyone's surprise, the Commission followed our lead and launched a second consultation phase. We hope that this procedure goes in the right direction.

As regards participation, the CFDT is working with workers as a constituent part of the company and not only as a stakeholder: we want to promote the further involvement of employees. We believe that it is a factor in the competitiveness of German companies. It is necessary to convince the French employers, from the Latin and Anglo-Saxon traditions alike, of this approach, but Business Europe has refused to talk about anticipation of change for years.

◆ **Jean-François Tamellini**

My point of view on co-determination differs from that of my colleague from the CFDT. It is essential to take account of cultural differences from one country to the other. Co-management is not on the agenda for Belgian organizations: we subscribe to a power relationship and a counterpower role. Employers and trade unions co-manage social security because its aim is to redistribute wealth. The rationale is not the same in the private sector. Conversely, we would not be against a model of observer status in the board of directors.

◆ **Arturo Garcia Hidalgo**

Worker participation in business management may entail risks in certain cases or prove healthy in others, because some managers are irresponsible. Trade union mechanisms are needed to control or supervise this participation. My country witnessed the example of employee representatives participating in the management of companies, in the board of directors for instance, but they were not always up to the task. If we must go in that direction, we have to take care to avoid a boomerang effect.





## FORUM N° 2

Wich new rights and resources should employee representatives have at European level, in order to weigh in on the strategic decisions taken by the multinationals, with a view to restructuring firms (merger or acquisition) for economic, financial or technological purposes ? Wich bodies ?

**Almudena Asenjo**

Director of Largo Caballero Foundation

**Anne-Marie Grozelier**

General Secretary of Lasaire

**Ralf Götz**

EWC team leader at IG Metall

**Fernando Marques**

Economist at the research department of CGTP-IN

**Isabelle Guillemot**

Nokia-Alcatel coordinator at FGMM-CFDT

**Rafael Nedzynski**

International sector Advisor, FO

**Also participated in the debate :**

**Paul Rué**

Member of Lasaire, Contributor to the Association Europe&Société RDS

**Udo Rehfeldt**

Researcher at IRES

**Christiane Ranc**

President, CIBC Auvergne Rhône-Alpes, CFDT

**Christian Juyaux**

European trade union coordinator for Club Med, CFDT

**Claudio Stanzani**

Director of Sindnova

**Alain Deille**

Former labour manager



◆ **Almudena Asenjo**, Director of the Largo Caballero foundation, Spain

Before introducing this discussion, I would like to thank Lasaire for inviting the Largo Caballero foundation to take part in the deliberations of the 12<sup>th</sup> Biennale. This forum which now opens will enable us to discuss, reflect and delve deep into the contributions and suggestions which emerged from the different seminars held before this conference here in Paris. It is imperative in fact to reflect further on the existing means and resources and new rights to be promoted, at the national and European level, in order to enable employees to take a greater part in the strategic choices of companies, particularly when the latter plan restructuring operations that have major social consequences.

◆ **Anne-Marie Grozelier**, General Secretary of Lasaire, France

Multinationals are behemoths which for their employees and their representatives are characterized by the remoteness and continuous change of decision-making centres, and by the absence of transparency on the strategy and location of investments. The previous forum drew a distinction between restructuring of an economic or technological nature and mergers-acquisitions. The former fall under destruction and are governed by national and European rules, such as the establishment of European works councils. Under the terms of the relevant directive, they must ensure a form of legally constraining transnational regulation. They are nonetheless based on agreements most often limited to information and consultation. The objectives initially set are far from being achieved and the tools made available most often become ineffective in mergers-acquisitions.

Understanding the causes of these restructuring operations is essential to enable the trade unions of the sites concerned to discuss the relevance and justification of the operation, and where necessary initiate a discussion on other possible choices. The restructuring at Caterpillar for instance was presented as being due to the poor international economic climate in the mining sector, combined with a drop in construction projects due to the crisis. In other cases, at issue is the increasingly more rapid transformation of heavy industrial processes that change the structure of the production system. Finally, others have to do with the impact of digital technology and the development of mass merchandising.

The trade unions have every interest to analyse the causes of restructuring carefully. In the merger of Alcatel with Nokia, the process for the redistribution of the workforce between the different sites ultimately led to job cuts in subsidiaries located in high-wage countries. It was a sort of relocation to the lowest social bidder. The overall observation made by Guy Juguel on the basis of the case studies during the biennial is that employees and their representatives were not really consulted before the strategic decisions. Their intervention very often had little impact and did not lead to managing the social consequences of restructuring.

The information asymmetry between management and employee representatives is another important element for our observation. The merger between Iberia and British Airways was a good case in point. Against this background, what devices can help the trade union actor to access the seats of decision-making or find the means to debate the arguments of management? What means and resources does he have to build coordinated action strategies?

The task is all the more complex in the case of a merger of two multinationals stemming from different social traditions, with their respective industrial relations systems, their own management, their own European works councils and even employee directors on the supervisory board. The question thus arises about the creation of new social actors for the new entity. How will employee representatives meet? In which premises? At which initiative? Who could arbitrate the meeting? How will the employer actor be established? Then there is the problem of establishing actors on the company side. How will the employer actor in charge of the social dialogue be established in the new entity?

In principle, the merger of two companies should entail the enlargement of the European Works Council of the acquiring company, according to the rules provided in its implementation agreement. An agreement can also be negotiated to create a new European Works Council consisting of representatives of the constituent companies. This negotiation must be pursued by a special group that necessarily includes representatives of European works councils from the two companies.

Reality is different. In the case of Alcatel-Nokia, the many interventions of the two EWCs, even though supported by ETUC, did not manage to obtain negotiations for a new EWC corresponding to the scope

of the new group. The management of Nokia contented itself with setting one up on the basis of the subsidiary provisions of the directive.

The exchanges around the case studies brought two directions to the fore. First, the mechanisms that already existed in one country could be extended to other Member States. Four examples can be cited. First, in case of restructuring, the French Act known as the Florange law requires employers to provide employee representatives with precise information on plans to close a site, i.e. the economic, financial or technical reasons. Employee representatives can call on an external expert paid by the company. The employer must look for a buyer, and the works council can take part in this process. Finally, employee representative bodies can question the potential buyer to obtain guarantees about employment and the preservation of the site.

Second, Dutch law allows works councils to oppose a planned takeover, merger or acquisition of their company. Where necessary, the labour court decides whether the refusal is sufficiently reasoned.

Third, the Belgian Act known as the Renault law created a 60-day information-consultation procedure during which the trade unions can access information and examine all alternatives.

Finally, certain countries such as Germany and Austria have a right of co-determination, which nonetheless does not meet with unanimous approval in all European trade unions. In Germany, employee representatives sit on the company's supervisory board and board of directors, where they discuss strategic decisions. These representatives are vested with real powers. The works council of the site is consulted on restructuring plans that have an impact on the workforce. Its agreement is necessary for the plan. Otherwise, the case is referred to the labour court. This mechanism is all the more important when one of the companies concerned by the merger already has one, as in the merger between Italcementi (Italy) and Heidelberg (Germany) or in the case of the Spanish subsidiaries of ThyssenKrupp, where representatives of employees who were not in the German company did not have access to co-determination nor to the premises where the restructuring elements were being discussed.

Trade union representatives are nowadays far more familiar with the national systems of neighbouring countries, so the dissemination of these mechanisms can be considered with greater ease.

Then, mechanisms that already exist at European level could be strengthened, improved and completed. They are intended to enable employee representatives to weigh in on strategic decisions. The European works council is a legally defined body that has already been the subject of several proposals for improvements: a right to sufficiently long information-consultation periods, a European early warning right, the right to call on the services of an external expert or the obligation to establish a European trade union delegate. The European works councils moreover constitute significant support for the development of transnational bargaining. There are nearly 300 European or international transnational company agreements today, signed on a voluntary basis. They have been largely negotiated and signed by the European Works Councils, but are increasingly being negotiated by the European trade union federations.

Proposals were tabled at the Brussels and Rome seminars to strengthen bargaining at the pertinent, i.e. European level. The possibility of a European collective quasi-agreement was even brought up in Madrid, to include subcontracting companies and outsourced business segments in their scope.

The European Metalworkers' Federation, which today is part of the large IndustriALL Europe federation, had adopted a procedure in 2005 to obtain a negotiating mandate from its affiliated organizations so as to conduct negotiations in a transnational company. In 2015, IndustriALL Europe adopted a procedure to facilitate adopting a common position in the European works council and to create a European trade union coordination group for the possible negotiation of a European agreement.

To conclude, two difficulties stand in the way of employee representatives having access to the decision-making places and to negotiating with the right interlocutors. The first is the establishment of social actors at the transnational level as protagonists of the discussion. The establishment of the employer actor to engage in this type of bargaining remains a problem. Moreover, the proper functioning of the trade union coordination procedures is based on the company's financial contribution. What is in it for the company? Given the proliferation of multinational restructuring operations in Europe, will the members of IndustriALL Europe be able to continue to play this role of European superdelegates without additional means and resources placed at their disposal? And how can the trade union actor be established at the transnational level

and deal with the difficulty of positioning himself, beyond national legitimate interests, according to the nature of the transnational discussion?

The second difficulty is that of sanctions in case of non-compliance with the rules and agreements signed during a restructuring operation.

To conclude, I shall cite the exhortation of Georges Dassis at the Brussels seminar: we have to reflect, innovate and find solutions out of the box.

◆ **Ralf Götz**, Head of the EWCs at IG Metall, Germany

I should first like to refer to what Georges Dassis had to say, as IG Metall did not have time in its agenda. We obtained the 35-hour work week after quite hard-line strikes in the 1980s. Whereas the issue has been taken out of the collective bargaining agenda, the executive committee made a recommendation on the right to switch to 28 hours per week for a period of two years.

Instruments already exist to work at the international level in the event of restructuring. Employers think they are sufficient, but the trade unions do not share this view. Experience has shown that the existing right was not applied correctly. The information-consultation procedures are not always well organized in the EWCs. Similarly, a directive provides that in case of a transnational merger, we can embark on negotiations under the same conditions. The European company directive has still not been implemented, although it provides for negotiating the establishment of an EWC or for co-determination. Companies use this directive to circumvent co-determination. The European Trade Union Institute has indicated that 40 European directives provide for information and consultation at the international level, on a variety of issues beyond restructuring.

The other challenge consists of having access to strategic decisions in order to influence them. Eighteen countries provide for representation in the board of directors and the supervisory board, including France. Do the trade unions wish to avail themselves of this option? The German trade unions adopted a resolution to that end, and ETUC also calls for such European participation.

We are in favour of recasting the EWC directive. It provides for virtually no penalty in case of infringement. Recourse to the courts is not available in all European countries. Where it is available the procedures are not always well known. We must be capable of penalizing employers who do not comply. We are in favour of EWCs signing agreements at European level. It is necessary to groom the obsolete provisions of the first directive of 1998. Confidentiality is an important issue too. We are committed to it, but at times it is used to hold employee representatives hostage when employers claim that all the information provided is confidential. Finally, the subsidiarity clause is a minimum standard. Several improvements are possible.

The Commission authorizes henceforth the very rapid creation of a new company whose administrative office can be separate from the registered office, and thus social rights can be circumvented.

Finally, how can the trade unions exert pressure on the employer and mobilize their members? IG Metall and IndustriaALL Europe want to strengthen the power of trade unions everywhere. There is no point of having strong and well organized trade unions in some countries and very weak ones in others. If we are called upon to negotiate at European level, we need mutual support and a common front against the employers.

◆ **Fernando Marques**, Economist at the research department of the CGTP-IN, Portugal

Restructuring has a bad reputation in Portugal, aggravated by the period of the troika. We lost 13% of our workforce in four years. The word restructuring has become synonymous with massive job losses.

Restructuring operations are permanent today. Some are visible, such as in a bank, in the Alice Group after the take-over of Portugal Telecom or the Volkswagen group. Most of them have gone unnoticed. They all entail consequences for workers made redundant, for those who remain in the company and for the social protection systems.

We are currently going through an employment recovery period, but if we leave out open-ended contracts, the average remuneration of these new jobs is 110% lower than the minimum wage. The risk of changing jobs is consequently very high.

Anticipation is a fine idea, but difficult to apply: shareholders are interested in profit above all. Qualification and continuing training are a crucial issue, because they can minimize the consequences of loss of employment, but do not suffice in and of themselves: many young and highly skilled workers have migrated to France and Germany in the last five years.

The power relationships are very unbalanced in multinationals. The Portuguese employees of Volkswagen held a hard-line strike against the generalization of work on Saturday, the role of company-level bargaining and that of the law. My confederation's position is that the law must protect workers in the face of multinationals that can pit them in competition against each other.

Solidarity is a complex issue. Competition is at the national level, as we have seen with austerity, but also between workers. So it is difficult to foster solidarity in a territory.

Finally, we are attached to the European Works Council and to transnational negotiation, as they have made it possible to make real progress in the absence of real collective agreements.

◆ **Isabelle Guillemot**, Nokia-Alcatel coordinator at FGMM-CFDT

In the first place, I would like to react to the comments made this morning. For one, the standards applied in the sector often stem from large companies. Then, the signatories of transnational agreements are very important. It may be dangerous to give the power to sign to a European works council that is not very unionized, as trade unions are far better armed to take action on the same issues.

My company is active in telecommunications – a crucial sector in the midst of the digital revolution. But Europe does not pay sufficient attention to its digital sovereignty. We are keen to obtain information on mergers, particularly for that reason. In fact, we knew, before it was officially announced, that our two companies were going to merge, thanks to our experts. We contacted our colleagues at Nokia to anticipate this considerable change as much as possible. The first problem consisted of finding a place to talk while the merger had not gone through yet. IndustriALL Europe enabled us to do so, but without a legal framework. Pressure was exerted in our respective companies on representatives who had dared to organize those meetings. Moreover, the operation was financial and could entail an insider offence.

Nokia does not tolerate an external expertise nor criticism of its strategy. We consequently had to deal not with operatives in local, national or European bodies, but with legal experts, to the extent that our expert had to resort to his own lawyer to see his assignment through.

A European trade union representative would make sense when negotiating transnational agreements. At the time of the merger, the European works council of Alcatel had tried on several occasions to obtain a transnational agreement to anticipate changes, in particular on provisional employment management. We virtually managed to come up with a text that was to be signed by IndustriAll and each of the federations, but fell through because of the merger with Lucent.

Faced with the difficulty of achieving results on provisional employment management, we turned to corporate social responsibility. At issue was producing a charter, in the absence of an agreement, to introduce a mechanism in all countries to supervise the working conditions, health, etc. We have also chosen non-confrontational subjects in the interest of the company, but these plans foundered because of the merger with Nokia.

Our new European works council is at this stage only a sort of theatre where the preparatory session is being held in the presence of the HR manager.



◆ **Rafaël Nedzynski**, Consultant at the international sector of FO, France

The management of the Accor group convened a select committee of the EWC one day to announce that it wanted to sell one of its American subsidiaries. We were asked to keep the matter confidential, bearing in mind that the process was at its inception and that they gave themselves six months to find a buyer. The next morning, we read in the press that the subsidiary had already been sold.

This anecdote raises several questions. First, it should be made clear what had to be treated confidentially and the limitation in time. It is necessary to clarify the distinction between information for the bodies and insider offence. Penalties must be provided in the event of repeated abuse of recourse to confidentiality.

Then, information and consultation most often commence only when the decision of principle has already been taken. Here once again, penalties are called for. In this respect, the Dutch regulation must make a certain number of European works councils dream.

The possibility of being assisted by experts, not only at the time of the consultation, but also permanently, is extremely useful to detect early warning signs: location of investments, conflicts between shareholders, etc.

Finally, if the company does not disclose its strategy, the representatives of employees may legitimately express their concerns in public. This means of exerting pressure is added to the more traditional means of trade unions.

The directive on information-consultation is often poorly applied. Many companies consider that the procedure can be gone through in half a day, without sending information beforehand, without distinction between the two phases, which does not allow the employee representatives to go back to the workers nor to draw up an opinion. Coordination between the European works council, local representation bodies and other structures, such as the employee director in France, must also be reinforced. This mechanism poses a problem on several fronts, if only because the employee director has to relinquish all his employee representation remits. When the obligation of confidentiality is added, we may wonder on the utility of this function to defend the interests of workers effectively. The French Act must be reviewed in fact.

Finally, a distinction must be drawn between information-consultation, which falls under the European works council, and bargaining, which falls under the trade unions, whether a European trade union delegation or a European federation.

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GENERAL DISCUSSION

◆ **Paul Rué**

Divergences emerged around the table on the identity of the negotiator in transnational bargaining. For IndustriALL and ETUC, it is the trade union and not the European works council. IndustriALL insists that a representative of the trade union federation must sit on the latter.

Then, there is no legal framework for transnational bargaining. Some global agreements provide a monitoring structure or a form of arbitration in case of disputes.

Finally, the European company provides for participation of employees in the company's decision-making bodies, which always appeals to the French. I do not know a company that has introduced co-determination at European level.

◆ **Udo Rehfeldt**, Researcher at IRES, France

Our Belgian colleague suggested a European trade union delegation. The trade unions are in fact conspicuous by their absence in European social legislation. The European trade union federations were mentioned for the first time in 2009 in the revised version of the European directive on EWCs, which granted them two rights: to be informed at the beginning of the negotiations of an EWW agreement, and be part of the experts that can guide and support the special collective bargaining group when setting up an EWC. This right already existed in the past, however, in the absence of precision on the expert's identity.

Most European trade union federations have put in place a system of trade union coordinators for the European works councils. This coordinator is a full-time trade union representative from outside the company. He usually belongs to the most representative trade union in the company of the group's registered office or the subsidiary with the strongest employment concentration. Although not a European trade union delegate, he is very close to one. Some EWC agreements even provide that this coordinator can attend EWC meetings, or at least a preparatory session. It is therefore very important to provide a place for this trade union coordinator in the agreement establishing the EWC.

Nearly all European agreements were signed by EWCs. Half were signed by a single EWC. Since the European Metalworkers' Federation adopted the internal delegation procedure, it has signed some agreements alone. The latter are still in the minority, however: only French companies have accepted this procedure. Most of the agreements still have to be negotiated and signed by EWC.

A compromise is possible, like the one set out in the documents on socially responsible restructuring adopted by the EMF in 2005 and IndustriALL Europe in 2015. They provide for a trade union coordination group composed of a trade union coordinator and unionized members of the EWC. This possibility was tried in 2004 in General Motors Europe. ETUC recommended having unionized and duly appointed members of the EWC take part in the group negotiating a European agreement.

◆ **Christiane Ranc**, President, CIBC Auvergne Rhône-Alpes, CFDT, France

The sociologist Philippe Bernoux speaks about "collective construct." How can the existing tools and mechanisms be used most effectively? How to change the attitude of actors present? Finally, what means and resources should be given to employee representatives to exert a counterweight when faced with strategic restructuring decisions?

◆ **Christian Juyaux**, European trade union coordinator for Club Med, CFDT, France

I sit on the European works council of Club Med, called "European social dialogue council." It has functioned rather well for 20 years and has made it possible to sign several agreements with the European federation and the world federation, UITA, on the fundamental rights at work and on transnational mobility.

The social dialogue was quite good until the public takeover bid by the Chinese conglomerate Fosun in 2015, through a Luxembourgish holding. The EWC was suspended because the company, formerly a “société anonyme” [public limited company] became a “société par actions simplifiée” [simplified joint-stock company]. We no longer get the information that management wants to give us. Is this an isolated instance?

◆ **Claudio Stanzani**, Sindnova, Italy

The “acquis communautaire” [body of law accumulated by the European Union] was transposed in Italy without consideration for the changes it could entail. As regards the European company, for example, Italy does not allow workers to sit in a supervisory council. Similarly, the directive on economic and financial information, which requires the company to draw up a report on sustainable development, changed nothing in practice.

The first right of an EWC is to have a trade union at its side, but many are unaware of it. Companies do not want it and the trade unions do not know how to adopt a position. When the trade union is present, this presence is occasional, not permanent. Then, the members of the EWC are entitled to undergo training, but that is often difficult: more than 50% of the members have never received any training. Finally, it is imperative for the information to be separate from the consultation. All that can be resolved thanks to a new direction.

◆ **Alain Delle**, Former labour manager, France

At the time of Lip, fifty years ago, the watchword of the occupations was: “occupy, work, get paid.” This movement mushroomed until the economic redundancy act which meant that staff could be remunerated at 90% for a year. Whereas the trade unions could mobilize to occupy the factories and fight, the employees came to ask the administration not to refuse their demands. Means and resources were therefore used to mobilize the workers.

The companies often have several trade unions, which complicates matters. Priority is nonetheless given to involving and mobilizing workers so that they can fight against restructuring. Employees who have not undergone training tend to follow the employer’s policy. It was then easy for the employer to say that his employees were in favour of working on Sunday, for instance. How did the trade unions think they could mobilize in case of restructuring?

◆ **Rafaël Nedzynski**

As a coordinator in a European works council, I do not consider myself at all as a trade union representative. My role is to present the positions of my European organization and to advise the members of the EWC, whereas the trade union representative stems from the employees.

Then, for my European organization, EFFAT, the negotiation of international agreements does stem from the trade union, whether European or international. Beyond the absence of the legal framework for European agreements, case law is practically non-existent, as is the case for the functioning of the European works councils.

How can we fight against restructuring? It is necessary to anticipate as much as possible. We then return to traditional means of action. Once the decision is announced, we try to limit the damage, with the constraints already evoked.

Finally, we often have to deal with jurists and other types of experts. For my part, I believe that depends on the subjects. When we negotiated in the collective catering sector, the big bosses were present for questions of principle. This means that it is always necessary to link strength and negotiation.

◆ **Ralf Götz**

I too have the impression that companies use the change of legal form to circumvent the law. Even if it is difficult to prevent them from doing so, it is important to be well aware of the consequences of those decisions and even to impose conditions and conclude an agreement to impose collective rights at the national

or European level. We have managed to make progress on the European company in Germany. In our company, co-determination is applied as of 2000 employees with a joint committee composed of 50% of shareholding representatives and 50% of employee representatives, even if the chairman is appointed by the shareholders and has a casting voice.

The European directive makes it possible to negotiate on co-determination at European level, but negotiations cannot exceed six months, whereas the process is complex. Schneider is a good example of the staff representation at the level of the board of directors.

Finally, the discussion must be continued about the role of the European authorities in relation to the trade unions, but the German trade unions are used to working with the *Betriebsräte* [works councils] and know how to share tasks. They moreover consider that well organized *Betriebsräte* are trade unions. I do not know of a national trade union that is against a transnational agreement.

◆ **Anne-Marie Grozelier**

Transnational negotiations were initiated because the EWCs could serve as support: they understand both an employer actor and a trade union actor. The EWCs also have a legal framework, which is not the case for transnational bargaining. The European Commission showed interest by setting up an observatory, which has nonetheless disappeared since.

As regards the signed agreements, the Commission itself refuses to transpose into a directive agreements signed in the provided framework. The question then remains intact.

◆ **Isabelle Guillemot**

The directive is not sufficiently constraining on the member appointment process. In many countries, including France, the trade union organizations appoint members. In others, elections are held or call on volunteers, as was the case in certain countries for Nokia.

In a general manner, we can mobilize employees when we can explain to them what is at stake. Other ways of action can be considered, if we can show our added value to the employer. This development is for the long-term, whereas the employees call for strikes and blocking the site.

Finally, the trade union representation is a crucial question, bearing in mind that the EWCs end up being ineffective.

◆ **Fernando Marques**

There is a discrepancy between the rule of law and the facts, depending on the power relations. In Portugal, collective bargaining is a trade union right enshrined in the constitution, which did not prevent the troika from trying to withdraw this right and attribute it to workers' committees, at company – not sector – level. In the case of the conflict of Volkswagen, the employer threatened relocation. There is a lack of a power relationship at European level to impose collective bargaining.



### FORUM N° 3

Which anticipations are to be promoted considering technological changes, digitization, ecological and energy transition ?

Do transformations of work and production process tally with :

- The new qualifications
- Creation and transformation of jobs for workers
- Reinforced competitiveness of companies in the face of world competition

**Gabriele Bischoff**

Chair of Group II, European Economic and Social Committee

**Joël Maurice**

Economist, Lasaire

**Marie-Claire Cailletaud**

Member of the CGT confederal executive commission

**Thierry Weil**

General Delegate at the think tank « La Fabrique de l'Industrie »

**Edouard Martin**

Member of the European Parliament

**Stéphane Rozès**

President of CAP, Sciences-Po and HEC teacher

**Also participated in the debate :**

**Marjolijn Bulk**  
Policy advisor, FNV

**Toni Ferigo**  
CISL

**Fernando Marques**  
Economist at the research department of CGTP-IN

**Károly György**  
International Secretary of the Hungarian Trade Union Confederation

**Isabelle Guillemot**  
Nokia-Alcatel coordinator at FGMM-CFDT

**Maryse Huet**  
Expert at Lasaire

◆ **Gabriele Bischoff**, Chairman of the Workers Group of the EESC, Belgium

According to a study by Frey and Osborn, 50% of the current jobs are threatened by the digital transformation. Other works that use a different methodology lead to different figures. It is certain in any event that some jobs will disappear while others will appear. How can we anticipate and ensure the transfer of skills? Digital technology is not the only driving force of change: we are also dealing with globalization, economic neoliberalism, the demographic transition and climate change.

◆ **Joël Maurice**, Economist at Lasaire, France

Digitalization is a cross-sectional change with profound effects on work, employment, the way a company functions, the social organization and ways of life. It is a major challenge, in particular for anticipation, consultation and labour negotiations.

A discussion has been engaged on the impact of digitization on employment with the British study by Frey and Osborne in 2007 entitled: "The Future of Employment: How Susceptible are Jobs to Computerization?" According to them, 47% of American jobs risk being automated in the next ten to twenty years. The effect would be similar in Germany, the United Kingdom, France and other countries. According to a methodology fine-tuned by the OECD, the proportion of jobs at a high risk (greater than 70%) of being automated would be 9% in the United States and 6 to 12% in other countries. Conversely, a higher proportion of jobs should be developed to enrich non-automatable tasks by coordinating them with automated tasks. In France, the Orientation Committee for employment considers that fewer than 10% of existing jobs are exposed to vulnerabilities that are likely to threaten their existence owing to automation and digitization, but half of the existing jobs are likely to change content significantly to very significantly.

A very often form of digitization invoked often is robotization. It is very unequal, depending on the country. The most advanced countries are South Korea, Germany and Japan, which are also the countries that have best protected the share of industry in their economy and which produce the most robots themselves. Whereas the development of collaborative robots ("cobots") lead to an increase in skills for workers, the diversification of robots and their network threaten more directly repetitive and unskilled jobs still present in the industrial sector.

Digitization does not only change industry, but also the tertiary sector through the computer, the Internet and smartphones. This development has penetrated entire sectors: banks, insurance, e-commerce, tourism, etc. It produces first an intensive effect through the change of methods and increase of the effectiveness of work, and then an extensive effect that leads to the creation of activities or services that were inaccessible or unimaginable a short while ago.

Algorithms, applications and platforms help multiply contacts at no marginal cost with a very wide public. Their very rapid increase of power challenges several pillars of social organization, in particular the confrontation between supply and demand, but also outsourcing online, with the solidarity mechanisms passing via the collection of taxes and financing of social protection.

If they want to escape the grip of dominant platforms, suppliers must change their business model in depth. They have to develop a direct, easy and attractive relationship with the consumers, but also to complement their products with services that facilitate the use thereof, and put efficient logistics in place. This type of organization does away with the segmentation between industries and services and creates the need to establish a real osmosis between the two, christened by Pierre Veltz as the "hyperindustrialized society."

The Germans were among the first to grasp the strategic importance of this challenge. In 2011 they initiated a process which led to the implementation of the "Industry 4.0" platform in 2013, and extended it to smart services in 2015. The Federal Minister for the Economy and Energy, the Länder [states], companies and the trade union IG Metall participate therein, the latter having opted for a local and pragmatic approach to identify the impact areas of the digital revolution in the factory.

In March 2015, France launched the "Industry of the future" project to "*get every company to make the modernization leap for its industrial tool and to transform its economic model through digitization.*" Created in July 2015, the Industry Alliance of the Future "*brings together and deploys the skills and energies of professional organizations, academic and scientific stakeholders, companies and territorial authorities, in*

*particular the Regions.*” The trade union organizations do not appear in this list, although they have a major role to play in mobilizing employees for the technological and organizational development which has a direct impact on their employment.

Hyperindustry entails major territorial challenges as well. The regions and conurbations have an important role to play on several fronts: vocational training and university education, support for research, the provision of collective services and facilities to fight against territorial disparities. Digitization has a major impact on the organization of the urban space and on logistical connections which must be properly anticipated.

The advances of digital technologies continue and are picking up speed with the Big Data, the internet of things, learning robots, artificial intelligence and tomorrow, the quantum computer. Beyond the micro-economic consequences on each company and its employees, the digital transition raises questions about macro-economic sustainability, notably in terms of jobs, the balance of foreign trade, fiscal resources and the balance of social protection. It also raises questions about the very organization of society, such as the articulation between jobs in hyperindustry and those centred on interpersonal relations, by building an inclusive society to ensure decent employment for all, to cite the concept of the ILO.

In view of these stakes, common digitization policies are needed at the EU scale. The European Commission has put the digital economy among its ten priorities. It pursues a strategy of accessing digitization in the economic and consumer protection fabric. The Union is nonetheless still far from digital champions capable of rivalling the large multinational monopolies. The European Trade Union Confederation has made digitization an important topic of its reflections and proposals. The deployment of the hyperindustry stands to benefit from being organized in a cooperative manner between the Member States so as to capitalize on the technological revolution in progress, overcome macro-economic imbalances and the divergences which ensue, and put equalization in progress back at the heart of the European project.

◆ **Gabriele Bischoff**

The trade unions have managed to deal with the industrial revolutions that occurred in the past. We can be confident of our capacity to manage this new development and to organize the defence of employment and workers. Previous speakers analysed the challenges for anticipating and managing changes. They also pointed out that the European Union has different models and cultures in terms of work participation and relations between employers and employees. In this framework, how can trade unions anticipate technological changes, digitization, and the transition in ecology and energy?

◆ **Marie-Claire Cailletaud**, Executive confederal commission of the CGT, France

Anticipation brings first into play the role of the government acting as a strategist, as it must implement public policies to ensure public services on the territories, industry and services capable of meeting the needs of the inhabitants.

The CGT believes that the industry of the future cannot be built on the ruins of current one. Industry accounts for 10% of GDP in France, compared with 16% on average in the eurozone, and 20% in Germany. This industrial decline is not explained solely by the transfer of jobs in services: our production base is shrinking fast, to the point that certain experts are talking about the vassalization of the production system. For us, industry cannot be reduced to finance and digitization. Turning France into a start-up nation is an illusion, if we want to get out of the infernal spiral of unemployment.

As things stand, we import 60% of our needs. The French industrial apparatus is the most ageing in Europe because of lack of investment. We have to modernize to meet the social – but also the environmental – challenges. The current model of multinationals that consists of a race to the most cost-effective production sites is not sustainable. The environmental challenges lead us to think in terms of short circuits, eco-design and the lifecycle of products.

All these stakes require boosting qualifications and thus making an unprecedented initial and continuing training effort. The CGT for that matter proposes a new status of paid employment which would allow for alternating between work and training. It is also necessary to recreate stable labour collectives rooted in the



territories where employees are secure to be cooperative, creative and innovative. Quite the contrary, the ordinances make workers insecure, individualize them in relation to the employer and make them vulnerable.

Digitization is the encounter of the power of information technology and communication networks. This revolution got under way some decades ago and is expected to continue for another ten to fifteen years. It does not mean the end of work for us, but it does prompt us to ask questions about the society that we want: should humans be removed from public services? Do we want care providers? Should we get workers to participate in the introduction of digitization in companies which generally means productivity gains? Should such gains serve to reduce jobs or, as the CGT recommends, make work less tedious and more creative and get people to work less?

For the CGT, we must start afresh with work, its purpose and content. This is a democratic issue for employees, but also for society as a whole.

◆ **Thierry Weil**, Executive Director of the Fabrique de l'Industrie, France

We agree with the Employment Guidance Centre that the environment of one out of two workers will be seriously disrupted by the arrival of digitization, but only one job out of ten is at serious risk of being eliminated or completely reorganized. Automation in a given company tends to lead to an increase of jobs: by being more competitive, it boosts the value for money of its products and its market shares in relation to its competitors.

A survey conducted among companies that have benefited from the "ROBOT Start PME" programme, a public aid intended for SMEs that acquire their first robot, shows that three years later, two thirds had taken on one or more additional workers. They posted a turnover increase of 16%. The teams in 85% of these companies thought that the robot had improved the working conditions.

The effect is less obvious at the national level and depends on two factors. If the sector is open, it increases its market and gains market shares from its competitors, a good part of whom is abroad, which leads to more employment in France. If, on the contrary, this sector is sheltered, the company which automates gains market shares at the expense of its French competitors: the jobs gained are lost elsewhere.

What do the consumers do with the extra purchasing power they obtain in this way? When you, as consumers, opt to pump your own fuel at the service station or scan your purchases at the supermarket, you reduce the number of petrol station attendants and cashiers. If you use this gain in purchase power to go to the restaurant or to a concert more often, you create jobs in catering and the performing arts. If on the other hand you watch American programmes on a Korean TV set, you help create jobs, but outside France.

It is therefore difficult to say whether automation destroys or creates jobs. Most economists have strong views, with some proclaiming the end or drastic reduction of work, relying on the argument that the same production is achieved with fewer means. Consumption can increase nonetheless. The consumption of material goods poses problems for resources and developed countries are already well equipped, but we will perhaps consume more education, care, cultural leisure and travel, which will mean work for teachers, carers, artists, etc. The end of work is thus far from certain. On the contrary, other economists argue that workers spill over to an expanding sector with each technological revolution. Some of these transitions have exacted pain and some conversions were neither immediate nor easy.

It is nearly impossible to predict which tasks will disappear, the pace at which they will do so or which ones will appear. Conversely, it is all but certain that the activities which do disappear require fewer skills than those which appear. The challenge is therefore to increase the level of qualification for all in order to meet the demand of the market. A report published in 2012 by the McKinsey Global Institute stated that full employment could be achieved in France in a clear path, but that 2.3 million skilled workers (bac + 2 and more) were lacking. Initial and continuing training as well as guidance thus become essential levers.

Finally, the digitization of industry is an opportunity to get back into contention and to halt industrial decline: customizing products, and being capable of producing and delivering products require a strong, local production tool. There can be no strong economy without strong industry. The recent events in the United States and the United Kingdom show that an important industry is also an essential factor of social and territorial cohesion.

◆ **Edouard Martin**, Euro MP, Belgium

The substantive issue is the definition of strengthened competitiveness: does it boil down to being always less expensive? The European institutions unfortunately contribute to that line of thinking, including the European Parliament, which is mostly liberal and conservative. Thus, we are currently improving the directive on posted workers, but it will be offset by the E-card: any person could declare himself as an auto entrepreneur in his country of origin, then go and work in any other country of the European Union. The host country will then have fifteen days to contest the declaration made in the country of origin. The work will not disappear, but we are headed towards a general “uberization.”

When I started in the steel industry in the mid-1980s, it was making investments to modernize and automate its facilities. The levers of the production tools were replaced by computers, leaving operators distressed before the mouse. The Volkswagen group recently announced that 10% of car dealers would be phased out to adapt to the new modes of consumption by customers who want to order their car on the Internet. We are not far from the World Company foreseen by the “Guignols de l’info” [French version of Spitting Image]: we will choose our car, pizza or book on the Internet; it will be made using a 3D printer and delivered using a drone.

I have long championed training to switch from a position-oriented rationale to an employment-oriented rationale, but we are not there yet. How does digitization improve the working conditions of Uber or Deliveroo deliverers? How can we talk with Uber or Deliveroo? The dissolution of the contract with the large collectives of the company contributes to a desocialization that is transforming the political perception of citizens, as can be seen from the rise of extremist movements in several European countries.

We cannot build modern digitalization by giving up the basic industry. Germany has understood this well with “Industry 4.0.” In 2011, the government, employers and trade unions charted a new strategy to give their country a further advance on the matter. So Germany is better placed to capture the calls for European projects.

The question is therefore which European model we want. We will not bring about a digital revolution if we leave part of society on the sidelines. The European Parliament is well aware of current trends. The Mady Delvaux report deals with the risks and advantages of robots, but also with their legal status. I am in favour of the robot tax proposed by Benoît Hamon to finance our economic and social model.

◆ **Gabriele Bischoff**

With no prospects on the horizon, many people have the impression of no longer controlling their life or having a place in society. In Germany, extremism has gained ground in former steelmaking regions, where the transition has not succeeded. So we must take care not to idealize Germany.

◆ **Stéphane Rozès**, President of CAP and instructor at Sciences-Po and HEC

When it comes to digitization, claiming to anticipate the upheavals under way comes down to assuming that their purposes can be foreseen. However, for the first time in the history of humanity, a global change that affects society as a whole, including the world of work, seems to be “self-supporting.” John Chambers, chairman of Cisco Systems, world leader in the network and server equipment sector, stated that half of the world’s large companies will have disappeared in ten years. For his part, the general manager of Dassault Systèmes has stated that he cannot predict which form capitalism would assume in 15-20 years or even if it would still hold sway. These two leaders of companies at the cutting edge of digitization show great humility when they broach the impact of digitization.

Nevertheless we must try to understand what is going on with digitization. Based on my work for companies, governments, trade unions and territories, I would like to focus on the cultural dimensions of digital change. It is characteristic of the West to think that the government of people takes precedence over the government of things; that it is people who are consciously building their future. As President Macron said in Bucharest, the French refuse reforms when they seem to be imposed from the outside, but on the other hand, society can be transformed on the basis of what it is, from a projection in space and time, a vision, because the French are universalists by nature. Unfortunately, the State which is entrusted with this protective role, has lost considerably sight of what makes French competitiveness and strategic vision.

My conviction, stemming from my professional experiences, is that the technological and digital changes are embedded in social models linked to the national imagination of each people, in the way that it converges to come to terms with reality. This prevalence of the cultural dimension explains the differences between the German and the French in their relations to the digital, their way of broaching, anticipating and preparing for it.

Since the Peasants' War and the Thirty Years War, the Germans have endeavoured to find compromise in their midst so as not to be divided. They are constantly seeking for common challenges to take up. Since 1945 and the fall of Nazism, it has been about the economy, whence German rigour in the very conception of good monetary and budgetary policies, for them, but for others as well.

To come to terms with reality, the Germans proceed in an immanent manner through the sharing of experiences. Thus, when digitization burst on the scene, the social partners, the Länder and the Federal Minister sat around the table to take up this new challenge and make sure that German industry stays at the forefront.

France does the exact opposite. To bring the French together, it is necessary to present them with a transcendental project and explain where they are headed and why. But the government, squeezed in a procedural Europe, no longer projects a real strategic vision of the future. Thus, in a country like France, for the digital to be appropriated and deployed in companies, it must be seen by the social body as a means and not an end. It must not be confined to certain functions or certain positions, but must constitute a lever for the companies to redefine their strategy and rethink their lines of business.

Furthermore, the French maintain a singular relationship to work that has an emotional dimension. On the one hand, beyond the source of income, work is seen as creating a social bond. On the other, for the French employee, the customer is not always right, but is considered as a witness to the fact that he worked well based on the underlying idea.

The creation of value in a company depends on the coherence between its identity, type of management and company project to be deployed on the markets and territories. Most French companies are organized vertically, which poses a problem for management and for the trade unions faced with the rise of digitization which is horizontalizing the internal processes of companies. I think that in ten years, wages will be assessed in part by colleagues themselves. Trade unions and universities should give greater thought to these new challenges. But France has difficulties mobilizing in that respect, whence the degree of low and widely variable appropriation from one company to the other.

I am convinced that the cultural dimensions, the imagination of peoples and the identity of companies will determine whether digitization is appropriated. The impact on jobs and social relations is decisive. Whereas human communities are favourable to the economic efficiency of digitization, they do not accept that it be done to the detriment of control over their destiny. Since the dawn of humanity, politics has endeavoured to combine the good, the just and the efficient dimensions. When that is no longer the case, in the name of economic, financial and digital globalization, people may react in a regressive and even violent manner. This explains the fact that whereas people are more and more economically and financially interdependent, commercially and digitally linked, they turn inwards on themselves, particularly in Europe, through nationalism, separatism, populism and religious extremism.

The French problem in broaching digitization comes from the fact that we see reality in vertical terms, stemming from the top, from Reason and universalization, whereas digitization is exactly the opposite: horizontal and immanent stemming from the singular customer experience. The German imagination enables the nation, companies and territories to adapt easier. Becoming aware of these national cultural dimensions will enable European countries to appropriate this decisive change better, first at home, and then with others, sheltered from European policies that protect and promote our digitization.

GENERAL DISCUSSION

◆ **Gabriele Bischoff**

I worked on the topic “Humanising work” in the 1990s. France was a role model at the time: for instance, I underwent training on the works council. Beyond these two countries, many others are represented here. For the countries of Central and Eastern Europe in particular, the challenges are even more important, but digitization represents a chance to improve the value chain.

◆ **Marjolijn Bulk**

New models of the digital economy appear every day. Uber and Deliveroo have already been cited. Amazon Mechanical Turk divides the work in very small specific tasks. In this respect, traditional companies no longer exist, and employment as we know it is disappearing. Are we doomed to survive by carrying out 30 different tasks organized by 30 different algorithms?

◆ **Toni Ferigo, CISL, Italy**

The introduction of new technologies and digitization entails stress due to the simultaneous inflow of an enormous volume of information. New technologies also affect the capacity to concentrate on what we are in the process of doing, which poses problems in education, but also at work. Can we find trade union answers to these questions?

◆ **Fernando Marques**

The talk about the end of work seems to hide a far more real problem, that of the employment contract. The right of collective bargaining and the right to social protection have been historically attached to it. Are workers destined to become self-employed? All trade unions are in favour of a core of social rights, but the Commission wants to promote self-employed work and entrepreneurship, which seems to play into the uberization of society.

◆ **Stéphane Rozès**

As regards stress at work, studies conducted among workers show that managers, not workers, are the ones most under stress. Managers compete with each other, whereas workers can show greater class solidarity and objectify their individual situation.

Symbolic verticality and social horizontality, generated by the markets and social networks, are interlinked. Wondering about the reasons why the peasants who made up the Grande Armée, following the Army of Year II, went to die for Napoleon in Russia, Marx pointed out that the French Revolution had given peasants the right to property whilst doing away with the birth right, so that everyone was owner of his plot of land. The plot peasants therefore lived self-sufficiently and were not interlinked through a market. They were therefore “potatoes” in a “bag of potatoes the handle of which was held by the Emperor.” When Emmanuel Macron speaks of a “start-up nation,” he claims to hold together in today’s world the horizontality of digitization which is turning individuals into “potatoes” and to promote the political symbolism through his person.

◆ **Thierry Weil**

We often only have a choice of training some people, whose environment will be disrupted by the robot, or to close the plant, because it is not competitive.

Real work has long escaped the traditional modes of regulation, first with mass unemployment, then by the fact that many work for the company without being physically present, or being physically present without belonging to the company, as is the case with subcontractors. Uber France has declared that it is ready to introduce a system of insurance for unemployment or holidays of its deliverers. If it were to do so, the

URSSAF (network of private organizations that collects employee and employer contributions) would instantly requalify it as an employer, which would destroy its business model.

The cognitive surcharge is real. We want to turn a production operator into a pilot or high-speed train driver, highly valuable but also extremely constraining tasks.

◆ **Joël Maurice**

There is a pervasive feeling of harassment because of the omnipresence of means of communications, in particular the laptop and the smartphone. France and undoubtedly other countries have made progress on the right of workers to disconnection, but deconcentrating phenomena are massively present at school. We must moreover ask about the changes that new technologies entail for education.

The other threat is the multiplication of microtasks under micro-contracts, which entails a complete restructuring for workers who will manage poorly to get organized or fail to do so. The power relationship is insufficient between the company and the new slaves on bikes. The legislator's intervention is indispensable to provide guardrails.

Finally, it is worth reflecting on the intrusive role of the social networks, which are a considerable threat to the functioning of democracy.

◆ **Edouard Martin**

The organization of work is the very base of productivity gains: everything calculated to the minute, in a sort of return to Fordism. I fear the worst in the weeks and months to come with the introduction of the E-Card.

◆ **Marie-Claire Cailletaud**

It is an illusion to think that industry can be reduced to an aggregation of platforms: they are put in place to circumvent the social laws of countries, jeopardizing the systems of inter-generational solidarity and Social Security. These platforms entail a return to piecework, i.e. the commodification of all relations: instead of lending your drill to your neighbour, you rent it to him for an hour.

The example of Deliveroo is interesting: the CGT has created a trade union of deliverers, who demand the requalification of their contract and a relationship of subordination. They have become aware that they are entitled to protection under the labour code. We are not against amending this code, but in the interest of workers. It is necessary to return to the Declaration of Philadelphia of 1944, by which the governments, employee representatives and employers declared that work is not a commodity.

New technologies must be introduced together with the workers and the trade unions so as to create a shared, collective project. Otherwise, they can entail serious consequences for health and security. Thus, workers in warehouses who use voice control are isolated and receive orders from a computer through their hard hat. They can no longer anticipate their work, to the point that they put in place mechanisms such as learning sector numbers by heart so as to regain a little autonomy.

◆ **Paul Rivier**

Birds, animals and plants are all useful. Social utility is a human right, yet thanks to robots, we can have factories without workers. The reduction of working time seems inevitable in order to share the work that's left.

We have spoken of Asia, America, and some neighbouring European countries. What is to be done between Europe and Africa, the weight of which will continue to grow in the coming decades?

◆ **Karoly Gyorgy**, International Secretary of the Hungarian Trade Union Confederation

The European Agency for Health and Safety at Work (EU-OSHA) has worked on the impact of new technologies at the work place.

It is primordial to reach an agreement on a trade union agenda where priority is given to anticipation. In Hungary, the trade unions are lagging considerably behind: the impact of new technologies is an issue for the short-term, not for the medium or long term. Thus, a convoy of independent trucks was recently subjected to a test. An insurance company invited me Monday to discuss the regulatory framework on robots and their place in the transport industry. They called on us, because they feel isolated. The ball is therefore in our camp. We should build alliances and therefore adopt a trade union strategy accompanied by a concrete programme geared to anticipation. The European Parliament could prove an important partner – I have more reservations about the Council and the Commission.

◆ **Isabelle Guillemot**

New technologies lead to a deterioration of our concentration capacities, undoubtedly to the detriment of research and innovation.

As regards the quality of employment, I cannot accept that work is cut into small pieces. Tasks of lesser quality are entrusted to low-cost countries, but the workers of those countries are not our slaves. Robotization has managed to improve working conditions: it is better, in fact, to have robots paint cars. Carrefour has fewer and fewer cashiers, but those who prepare online orders do not have a nice job.

◆ **Maryse Huet**, Expert at Lasaire

Lasaire has worked on the impact of collaborative platforms on women's employment, which are quite disappointing. Social regulation is needed in collaborative platforms. Moreover, the trade union organizations have taken this phenomenon duly into account. Thus, IG Metall created a European and international platform to provide information to all platform workers.

We talked about the French and German model, but what about the Scandinavian model? Trade union organizations play an essential role in the adaptation of workers.

◆ **Marie-Claire Cailletaud**

Humanity is faced with challenges that concern it as a whole. Access to resources and climate change are problems posed at a world scale. We must address them. Migrations are due in particular to access to water and climate change. Climatologists are predicting an increase in such migrations. Yet our countries cannot cope with the current influx of refugees. This situation will generate dangerous geopolitical disorders. African countries are talking about the curse of subsoils, when they contain resources the exploitation of which leads to war and not to the improvement of their standard of living. We have to imagine a more collaborate mode of development respectful of humans and the planet, so that emerging countries can access development and countries that have developed by relying on the latter can contribute to that process.

The question of research is key: it is necessary to find modes of production to change the paradigm. France is still at a good level, but also at a crossroads: chronic underfunding must come to an end.

Europe is the right level to take action. We often stir the "yellow peril," but competition is exerted mainly in Europe, where Germany has developed thanks to the low wages in Eastern European Countries. Social and environmental standards are consequently needed to lead to a real European industrial policy.

Finally, work and its aims must be distributed so as to reconcile open possibilities by new technologies, aspirations of employees, environmental and social challenges. The democratic dimension is really at stake: How can the company, workers and local authorities, intervene in the strategic choices of companies?

### ◆ **Edouard Martin**

The reduction of working item is inevitable: some work a lot, even too much, while others have no work. The Germany trade unions are considering a 28-hour work week, which Volkswagen already applies. The ArcelorMittal site in Dunkirk is the group's most productive and competitive in the entire group, with a 31.5-hour work week.

The European Union is the main contributor to development budgets for Africa. In practice, aid goes first to private Chinese companies established in Africa that hold the ore deposits and farming lands.

I share Marie-Claude's views on research. Let us take the example of the merger between Alstom and Siemens: we are being reassured by underscoring that research remains in France, thanks to the research tax credit and other aids, but most often it is the control of patents. At ArcelorMittal, patents are registered in Luxembourg, and then the rest of the world.

Political will is lacking when it comes to gender quality. Eurostat has shown that women earn 18% less than men for doing the same work. If the situation were reverse, millions of people would be out in the streets everywhere in Europe. It is up to trade union leaders to make this a strong priority.

We are currently discussing social policy. The Nordic representatives are very reticent about any form of legal constraint on the matter, because it is not practical for them. They are attached to the social dialogue in each company.

Finally, social legislation is not an EU competence, and the Parliament includes many conservative and liberal members who constitute the prime impediment to the harmonization of social, fiscal and environmental rights.

### ◆ **Joël Maurice**

Technological developments jeopardize the quality of work in many areas. Everything depends on the balance between eliminating and creating employment. It nonetheless seems inevitable that working time will have to be reconsidered. The Declaration of Philadelphia underscored that work is not a commodity and the ILO has more recently put forward the notion of decent work.

Capitalism tends to replace workers by robots, and the latter do not consume anything and have no social needs. An in-depth reflection is therefore necessary on the sharing of the added value. Another contradiction is that financial capital is mobile and therefore difficult to tax.

The publication of *Paris et le désert français* a [Paris and the French Desert] in 1947 caused a real electric shock and led to the creation of the department of town and country planning, which made it possible to create balanced metropolises at least. Europe must avoid this pitfall: collective reflection on the balanced development of European countries is needed. The structural funds must be entirely reconsidered taking due account of the latest technological developments.

Finally, we must at the same time reflect on the development of Africa and the Mediterranean.

### ◆ **Thierry Weil**

Just as Germany drew on the labour pool afforded by Eastern European countries, French companies are increasingly working with the south bank of the Mediterranean, and even Sub-Saharan Africa. These countries gain in developing faster and by making technological progress: we are gaining the capacity to develop our value chains.

New technologies and digitization are a priori neutral with regard to the stakes you have cited. And yet, they must be taken into account. We must in any event stimulate innovation, promote quality work and ensure quality between men and women.

◆ Stéphane Rozès

The question of the impact of digitization on companies and society is decisive. Digitization has come at a time of profound doubt in Europe about its future, because neither its economist leaders nor its technostructure understand the rationales of globalization.

President Macron is an exception. He thinks concurrently about cultural and political, economic and technological issues. Conversely, his approach does not take account of the national models. A model is concurrently an example and that which shapes. If Germany is the most competitive country in Europe, it is because the German imagination is fully consistent with European governance and policies. Thus, the same term “Schuld” means both “debt” and “guilt” in German. The fight against debt is therefore a way to show resilience. Yet although President Macron is aware of specific French and Germany features, he does not help the Germans get out of their self-preventive tendency to articulating economic issues and policies that are destructuring the other countries. He thinks that in order to get our Germany friends to move, we have to give them guarantees.

Europe is in economic decline and political regression because European governance and policies run counter to the European genius. Culturally diverse peoples have for centuries lived next to each other, jostle against each other and at times go to war in the same space. But the difference has given rise to a need to overcome it which creates a shared interest. The French and German illusion is to think that single monetary and budgetary policies will bring people together. The contrary is happening everywhere: populism, nationalism, separatism and religious radicalism are thriving. To get Europe out of the crisis, it is necessary to provide margins of manoeuvrability to the national and social models and then build common projects, i.e. the opposite of what Brussels is doing at this time.

Finally, if digitization is driven solely by economic efficiency, the company risks becoming impervious to trends in societies themselves. Digitization must therefore be at the service of human labour collectives.

Digitization is as much of a danger as an opportunity for the competitiveness of European countries and Europe. It requires them to consider jointly cultural determinants, economic models and social relations; industry and services; markets and democracy.





## CONCLUSIONS

**Bogdan Iuliu Hossu**  
Chairman of Alfa Cartel

**Thiébaut Weber**  
Confederal Secretary, ETUC

**Luc Triangle**  
General Secretary of IndustriALL

**Ignacio Fernandez Toxo**  
Former General Secretary of CCOO

**Fulvio Fammoni**  
President of the Giuseppe Di Vittorio Foundation

**Jean-Cyril Spinetta**  
President of Lasaire



◆ **Bogdan Iuliu Hossu**, President of Cartel Alfa, Rumania

We are getting to the end of the deliberations of this 12<sup>th</sup> Biennial devoted to anticipation and participatory change management in companies during a period of crisis and technological change. The contributions in terms of analyses and proposals at the five seminars that preceded and prepared this meeting have been summarized around three issues:

- What changes should be promoted at the European and national levels in trade union and managerial strategies for a social dialogue that meets the interests of both sides?
- What new rights and means do employee representatives need to be able to weigh in on strategic decisions?
- What anticipation is needed in the face of technological changes, digitization and the ecological transition?

Very fruitful discussions these last two days have focused on – and enriched -- these three topics. We are now going to draw conclusions from all the discussions at this roundtable, composed of leading representatives from the partner organizations of this 12<sup>th</sup> Lasaire biennial. They are going to give us the main lessons to be drawn from our deliberations.

◆ **Thiébaud Weber**, Confederal Secretary of ETUC, Belgium

Digitization has a major impact on all sectors of the economy and therefore all the workers. Worker participation is an important subject at European level, with high stakes on the possible revision of the 1998 directive. Our ten proposals on the matter are posted on the ETUC website. In a similar vein, Article 8 of the social pillar deals in particular with the social dialogue and worker participation. We naturally encourage the Member States to adopt this European platform at the Gothenburg Summit. It must nonetheless be followed through. These practices have already existed in 18 Member States, representing 36% of the European workforce.

The impact of digitization and robotization calls for enhanced worker participation. The works councils must be able to issue an opinion when the company uses online platforms. A company like Evian in France automated a good part of its production by duly consulting the personnel representatives in advance and by creating jobs. Another study conducted jointly with ANACT shows that all successful robotics integration processes as a whole are achieved thanks to dialogue and worker participation. These examples show that, far from invalidating the classic instances, digitization and new technologies make it possible to think of renewed and reinforced forms of employee representation.

◆ **Luc Triangle**, General Secretary of IndustriALL, France

The current workers are faced with a large number of transitions for energy or digitization. These stakes do not concern the medium- or long-term, but are altogether topical. Companies have concluded collective agreements on the impact of digitization on workers. The most optimistic projects are counting on a million job-creating opportunities thanks to digitization by 2022 or 2023, but digitization will destroy jobs in probably higher numbers. A reduction of working time appears inevitable.

The Declaration of Paris and the COP21 will have an impact on the energy question. Mobility is also an important issue. No one can say at this time whether the future belongs to completely electrical cars or advanced forms of hybrid vehicles, but the assembly of a combustion engine requires far more work than the installation of an electric motor and a battery.

The transition to the circular economy is another stake to support: otherwise, we risk being left by the wayside and someone else will develop these technologies. Europe must become a technological leader to guarantee quality jobs for consumers. It would conversely be unacceptable for innovation to be made in Europe and production elsewhere. We could speak of success only if we manage to reconcile these economic and societal objectives with social objectives that are just as ambitious. More than a principle, the charter of European rights is a fundamental issue.

Many workers feel disconnected from the European agenda. For them Europe is an economic project that enables companies to go from one country to the other, capitalizing on social competition. If we want to bridge the trust deficiency, we must work on an ambitious social agenda by relying on a strong pillar of social rights. We could thus fight against populism.

We need tools in companies and sectors to discuss and exert influence on changes to come. The European works councils play an important role in trade union action. We must appropriate them in order to promote our objectives. Before considering a new directive, we must ensure that the current directive is applied correctly.

IndustriALL has undeniable experience in transnational agreements. I recently signed an agreement with Safran, with binding force on the integration of young workers in all European companies under the apprenticeship system. In its first four years, this agreement enabled 20,000 young Europeans to work for Safran. 40% of them were able to land a job through this channel. The agreements are also used to manage restructuring processes. IndustriALL also organizes meetings between the European trade unions to develop a common strategy.

We also need anticipation. We know, for instance, that the car of tomorrow will be nothing like that of today. How can we train workers and anticipate the impact on workers in five to ten years?

We note a weakening of the social dialogue bodies everywhere in Europe, e.g. in Romania, Spain and elsewhere, at the instigation of the European Commission. We must ask Commissioner Marianne Thyssen what she plans to put in place to address the disappearance of collective bargaining structures. This will require strengthening the pillar of social rights, but not only.

Finally, our German members, including IG Metal, launched their claims for 2018 some days ago. In addition to a wage increase, they called for switching to a 28-hour work week. If we want for the transition to go as well as possible, it will be necessary to make sure that productivity increases are well distributed among workers. This will be possible only by reducing the working hours and by creating more employment.

◆ **Bogdan Iuliu Hossu**

To this description of the situation in Romania should be added that the government wants to transfer all the taxes weighing on the employee to the worker only. I hope that ETUC can help us convince Mr Dombrowskis to adopt a clearer position on this subject.

◆ **Ignacio Fernandez Toxo**, Former General Secretary of CCOO, Spain

The European trade union movement and the European company are confronted with several simultaneous transformations in a difficult context. We therefore need new rules and new institutions.

The work is geared to the organization of European companies, particularly since World War II. It is also the driving force for wealth distribution. It has nonetheless lost its central character, as have the organizations that represent it, particularly the trade unions. The markets impose their rules and the worker is replaced by a more diffuse concept, all against the background of increasing mobilization. This change of paradigm largely affects relations between employers and employees.

The social model and forms of employment associated with it seem like a burden that Europe must get rid of in order to be competitive in other geographic regions. The European trade union movement has largely lost its influence as a result of social and economic transformations. Many countries are witnessing a nationalist backlash. The trade unions are not well equipped to deal with the technological revolution. Having presided over ETUC until recently, I must acknowledge that we have not been capable of understanding the phenomena of mini jobs or the destruction of worker representation structures in Europe. At least, we have not been able to thwart this trend. It is therefore vital to raise the issues, be united in the struggle and restore the power relationship when establishing alliances with other stakeholders in the world of politics and in the civil society.

Thus, Spain has been faced with a destruction of labour relations since 2012. Contracts are increasingly precarious and for part-time work. Economic growth is not accompanied by job creation. The

capacity of trade unions to intervene is limited in such a context, whereas their role is indispensable to restore the balance between companies and workers. Spain now has a low-cost work model that does not enable us to continue to move forward alongside the world's most advanced countries.

We need new leverage actions. The revision of the directive on European works councils is very important, but above all, the trade unions must take control of the restructuring processes. We cannot delegate this responsibility to para-trade union bodies such as the EWCs. We must also fight for a right to European collective bargaining and a European right to strike.

We have not spoken much about the territorial impact of restructuring, even though we have extensive experience on the matter. CECA has for instance witnessed the restructuring of regions like the Ruhr, which was not accompanied by a re-industrialization process. Restructuring affects also the social model, as we have seen in Spain, Portugal and Greece. Without adapted taxation or employment policy, it will be difficult to ensure sustainable social systems for retirement, health or education.

◆ **Fulvio Fammoni**, President of the Giuseppe Di Vittorio Foundation

Our discussions still bear the marks of the great crisis, the effects of which are still being felt. It has destroyed many jobs and companies, thereby reducing the Italian industrial base. The Italian media touted recently that employment had returned to 2008 level. That may be the case in terms of numbers, but the content and quality of these jobs just be checked. In reality, some workers work a lot and put in overtime, while others have precarious jobs.

New technologies are being introduced at an increasingly faster pace. In this context, the social dialogue requires strong and mutually supportive interlocutors to deal with the situation, for workers and companies alike. However, the employers are themselves divided, as are the public authorities. The objectives cannot be only economic, but have to be both economic and social. We are faced with a new industrial revolution. We do not want to be subjected to these changes; we want to manage them.

We know that the new technologies will entail a reduction in employment in more or less sizeable proportions according to the analysis. Conversely, new jobs will be created, in proportions that are still unknown. The training and occupational retraining of the current workers are therefore a major issue.

It is often predicted that dangerous, tedious and repetitive tasks will be replaced, but the work which will remain will not be carried out by the same persons. If nothing is done, an increasing number of people will find themselves in a precarious situation and will come dangerously close to the poverty threshold. Furthermore, the new technologies can also entail new psychosocial risks in companies.

We are trying to anticipate everything, but are lagging behind on these issues. We need new rules to deal with this completely new phase at the European and the national level. The Council risks playing an impeding role given the diversity of national positions on this matter. We therefore need new ways of discussing.

◆ **Jean-Cyril Spinetta**, President of Lasaire

I wish to thank MACIF first of all for enabling us to hold this colloquium under optimal conditions, and all our partners also: the European Trade Union Confederation, the European Economic and Social Committee, the Spanish foundations Primero de Mayo and Largo Caballero, the Italian foundation Giuseppe Di Vittorio, IG Metall in Allemagne, Cartel Alfa in Romania, CFDT in France, the Spanish Comisiones Obreras, the Fédération générale du Travail de Belgique, the Greek Economic and Social Committee, the Bulgarian Economic and Social Committee, and the consulting firms Syndex and Secafi Alfa. I also wish to thank the speakers and rapporteurs of the forums.

The “conflicting cooperation” dear to Edmont Maire was cited during this discussion. At the same period, Antoine Riboud, CEO of the future Danone, declared in 1972 at the CNPF national congress in Marseilles, that there could be no economic project in a company without a social project to give it all its strength. Such a statement would sound indecent coming from the mouth of an employer nowadays. He concluded: “*Let us lead our companies as much with the heart as with the head, and let us not forget that*

*whereas the energy resources of the earth are limited, the resources of humans are infinite when the latter are motivated."*

We have not gauged sufficiently what a large single market with a common currency really means: reinforced and rapid integration. The very extensive restructuring operations make the headlines, but most company takeovers concern groups of smaller size. Even in the absence of a takeover, all companies must have strategies of how to stay on the European market.

Several significant developments have been cited during these discussions. For instance, digitization and its effects: the breaches will be all the more brutal than in the past, and developments to come even more rapid. The role devolved to companies as deciding the social norm is also a basic issue. Then, restructuring operations used to be largely financed by the public European or national authorities. This role has largely disappeared today for budgetary reasons.

The notion of company is becoming more and more difficult to grasp. A short while ago, all the necessary elements for a company were assumed by people under contract with the latter, with a unity of status, rules and place. Subcontracting, outsourcing and teleworking have meant profound changes in this state of affairs. How can unity in a company be maintained when it is broken down more and more into a multitude of decision-making and production sites?

Pursuant to a current leitmotiv, lifelong employment has passed and employees must be ready to change company, responsibility, qualification and training regularly. This argument can be extended to training, but a company has key competences without which it would have difficulties functioning. I am therefore ill at ease about this constant turnover that evidently is the new organizational rule for collective work. The conflict of RyanAir and its pilots is a good case in point. There is a form of contradiction in the employers' discourse, between the need for permanent mobility and stock option packages granted to secure the loyalty of employees.

The European authorities should concern themselves more with an economy which is integrated very rapidly and with social support that should ensue to unify practices and rules: European companies are already legion and will soon be the norm in Europe.

The motivations of merger and acquisition operations have been well described: the quest for a size effect in the face of traditional competitors, but also the Chinese, the management of major technological changes, and at times management errors. In any event, the trade unions have always shown their sense of responsibility: first, the extraordinary spirit of responsibility of the trade unions, in spite of shortcomings in organized dialogue at times.

Worker participation is the subject of discussions recently decided in France. For my part, I only have positive experiences with worker participation in boards of directors. These employee representatives apprise directors of what really goes on in the company: social relations, apprehensions the employees have. The only difficulty has to do with the confidentiality obligation that weighs on these directors and on others, which could entail a breach with the staff who appointed or elected them.

On the role of staff representative bodies, the Dutch example has already been cited. Knowing that a merger operation can only go through if the works council gives a favourable opinion, the balance of the bargaining is changed considerably. Having witnessed the situation during the merger of Air France and KLM, I experienced this rule not as a constraint, but an element that helps strike the right balance, without ignoring the necessities of the economy. Once the authorities have approved the operation, the social body is relatively reassured, since it trusts and has confidence in its representatives. The merger then embarks under far better premises. Even if the Dutch trade union tradition is different from the French, German or Italian tradition, everyone is responsible if entrusted with responsibilities. In the same vein, that the Commission plans to improve the directive on the European works councils is a positive development.

Digitization is a classic theme of change. Anticipation is therefore fundamental. In this respect, France has introduced a mandatory annual meeting on the provisional management of jobs and skills. I think this is a remarkable mechanism for employers, employees and the trade unions. A directive should recommend it for all European companies. It does not cost anything, but it is useful for the social dialogue and for the company and its efficacy.

The company is increasingly a place where standards are created. It therefore appears indispensable to provide counterpowers in its midst to balance the new rights granted to it.

Finally, the discussion on anticipation, change and reorganization is at the heart of the competitiveness problem. Decades of effort will undoubtedly be needed to build a competitive ecosystem in France and in other countries. The social dialogue is a key element to that end.