



# **Trade Unions Anticipating Change in Europe**

**A handbook on restructuring**

# Preface

Not a day goes by without announcements of further cases of restructuring – closures, relocations, privatisations, mergers and acquisitions, decentralisation, outsourcing and offshoring.

We, in the European trade union movement, understand that change is a constant feature of our daily work, if Europe is to remain competitive in the global markets. We are not against change, as long as it is justified, negotiated and well managed in a socially responsible way. What we will always resist, however, is a scenario in which the negative consequences are borne exclusively by working men and women.

We want to play an active and pro-active role in anticipating and managing change. For this to be the case, workers and their representatives must be actively involved in the daily life of their companies, so that they can influence any decisions taken and make sure that information and consultation procedures do not only target questions related to restructuring, but also cover all areas of the company's activity, its strategic choices and decisions, and anticipate their effects on employment.

The TRACE project is important in this regard because it builds improved capacity within the European trade union movement, by

- Developing trade union officers' and representatives' understanding and skills in anticipating and managing restructuring situations more effectively
- Exchanging and developing models of good practice in handling restructuring situations with minimal social cost through, for example, better information and consultation procedures and provisions for redeployment and retraining
- Assessing the impact of industrial and economic change on trade union organisation and ways of working.

This handbook on restructuring is particularly useful because it enables European trade unionists to:

- Analyse the key elements in the current process of restructuring and how they affect workers
- Find ways of anticipating and managing the changes restructuring can bring
- Identify strategies for managing restructuring at different levels and coordinate effective action
- Explore how trade unions need to adapt to deal with economic change.

Thanks are due to the partner organisations, drawn principally from European Industry Federations and national trade union confederations, that participated in the project. In particular, I would like to thank colleagues from the TRACE team – Ulisses Garrido (CGTP-in), Seb Schmoller (TUC), Patrizia Giudici (CISL) and Björn Arnoldhsson (LO-S), and Fabio Ghelfi, Valeria Pulignano, Laila Castaldo and Marina Gordijn, from the Education Department of the European Trade Union Institute for Research, Education and Health and Safety – who have contributed so much to the project's success.

I commend this handbook to European trade unionists and encourage them to use it, and the other materials available on the TRACE website (<http://www.traceproject.org/>), so that they are in a position to anticipate and manage economic change as effectively as possible.

John Monks  
General Secretary  
European Trade Union Confederation

# Contents

<b>PREFACE</b>	<b>1</b>
<b>INTRODUCTION</b>	<b>4</b>
<b>WHAT DO WE MEAN BY RESTRUCTURING?</b>	<b>5</b>
<b>BUILDING STRATEGIES</b>	<b>6</b>
<b>EXCHANGING INFORMATION</b>	<b>8</b>
<b>ANTICIPATING CHANGE AND ASSESSING ITS IMPACT</b>	<b>10</b>
<b>BUILDING ALLIANCES</b>	<b>11</b>
<b>GAINING INFLUENCE</b>	<b>14</b>
<b>COLLECTIVE BARGAINING</b>	<b>17</b>
<b>EDUCATING AND TRAINING</b>	<b>19</b>
<b>WORKING FOR THE FUTURE</b>	<b>21</b>
<b>SUMMARY</b>	<b>23</b>
<b>APPENDICES</b>	<b>24</b>
<b>1. TRACE project partners</b>	
<b>2. Other TRACE project publications</b>	

# INTRODUCTION

Restructuring is a constant process of change that challenges trade unions as the global representatives of workers, as employees and as citizens, to find new ways of ensuring that the benefits of change are fairly distributed and the process is justly managed. The TRACE (Trade Unions Anticipating Change in Europe) project set out to explore these issues in a European context and to develop fresh responses to the urgent challenges that restructuring represents.

Coordinated by the Education Department of the European Trade Union Institute – Research, Education, Health and Safety (ETUI-REHS), the project has brought together 19 partner organisations from 10 EU Member States, including European Industry Federations, national trade union confederations, research institutes and universities. It receives support under Article 6 (Innovative Measures) of the European Social Fund. The two-year project, which started in November 2004, sets out to build improved capacity within European trade unions to respond to situations of economic and industrial change. At the heart of the project are a series of Key Actions, developed and led by trade union partner organisations, which explore new ways of responding to the various challenges that restructuring presents for European trade unions.

This handbook is one of the principal outputs from the project<sup>1</sup>. The examples in the handbook are drawn from the TRACE project Key Actions and demonstrate how trade unions in Europe are developing positive policies to anticipate and manage the process of restructuring in both the public and private sectors. Their actions show how practical engagement by trade unionists at all levels can build solidarity across borders and between sectors and can influence employers and governments at national and transnational levels.

Restructuring has always affected the work that we do, the places where we do that work and the ways in which the work is undertaken. It is a multifaceted process that can have dramatic outcomes as whole industries are closed down, skills become redundant and new technologies change the ways we all work. Equally, new sectors emerge and grow, workers develop different areas of expertise and individuals benefit from technological innovations. The institutions of government, from the local to the global, are affected by these changes, as societies and economies develop and political ideas move on. Services once provided by the state are now often delivered by the private sector and the locus of

decision-making shifts abroad. These changes raise new questions, requiring new responses so that workers share the benefits. At the centre of the maelstrom that restructuring can bring are the workers, who can aim to shape their own futures or become the victims of forces that seem beyond their control. It is precisely this issue that is at the heart of the work of the trade unions involved in the TRACE project.

As restructuring is a multifaceted process operating at different levels, so are the Key Actions that inform this handbook. The response to restructuring has to be articulated at the different levels of the trade union movement in Europe and beyond, and it has to be strategic and proactive. There are new ideas to be learnt and new strategies necessary to support the underlying principles of the right of association and the right to bargain, enshrined in International Labour Organisation conventions as basic human rights. This process has to begin with a clear understanding of some of the key features of restructuring in the private and public sectors, so that strategies are developed that are proactive and influential. This means anticipating and working with the changes that restructuring brings, to ensure that trade unions continue to fulfil their core functions of effectively representing people at work and assist in securing their futures.

This handbook could not hope to provide a definitive account of global restructuring, as it is rooted in the TRACE Key Actions that, in themselves, could also not hope to cover all the challenges that restructuring can bring. What they do provide is a unique set of examples of actions that have outcomes that can be used by others facing similar challenges. The handbook has four key objectives.

- To analyse the key elements in the current process of restructuring and how they affect workers
- To demonstrate ways in which the changes restructuring can bring can be anticipated and managed
- To identify strategies for managing restructuring at different levels and build effective action
- To explore ways that trade unions need to adapt to deal with economic change.

1) A list of some of the other publications from the project can be found in the Appendix. More detailed accounts of the Key Actions can be found in the *TRACE Project Report* and on the project website at <http://www.traceproject.org>.

# WHAT DO WE MEAN BY RESTRUCTURING?<sup>2</sup>

**‘Transnational restructuring has many different angles. Many different challenges’**

*Luc Triangle, European Metalworkers’ Federation*

**‘It is a key objective to make the public sector part of the debate on restructuring’**

*Nadja Salson, European Federation of Public Service Unions*

Firstly, we know that restructuring is an economic, social and political process that is not new. Equally, it takes place at different paces in different times and places, taking some forward on the wave and leaving others behind in the wake. It is often argued that the process of restructuring has speeded up and become global, because of the technological drivers of new hardware and software. All the more reason for trade unions to be proactive in their strategies because, whatever the process, the outcomes will inevitably have important consequences for workers, whether they live in Bengal or Berlin, and whether they work in a small business, a global corporation or for the state.

Restructuring takes place at a number of different levels.

## Sectors

Sectors of the economy expand and contract due to changes in consumer choice and global markets, the emergence of new competitors, technological change and the decisions of governments. Examples of sectoral shifts are legion and hardly need to be repeated, as the clichés of ‘sunset’ and ‘sunrise’ industries have become part of our vocabulary – although, of course, the sun sets and rises at different times in different time zones and things that used to be made in Europe are now produced elsewhere in the global economy. Equally, as with manufacturing industry, the service sector shifts and flows, as capital switches itself around the world and public services become privatised. The restructuring of the public sector follows political decisions, just as changes in markets affect the production and distribution of goods and services. Shifts in sectors have impacts on people at work that trade unions deal with daily, but they also affect whole communities, as workplaces close or open and as governments implement policies that either encourage regional regeneration or fail to do so.

## Employment

Labour market changes reflect the sectoral economic shifts, as new products and services and changes in technologies shape demands for different skills. There

are many examples of this, including the shift in employment from the public to the private sector; the move from manufacturing to services; the growth in atypical employment in Europe; the increasing participation of women in paid work; the migratory shifts from beyond Europe into Europe and the shifts across national boundaries within Europe; and the difficulties facing older workers looking for jobs and learning new skills following redundancies. Restructuring affects the work we do today and the jobs we might have tomorrow.

Trade unions have an important role in working with employers and governments to anticipate and manage the process of change: to protect workers from unemployment, and to support re-skilling and lifelong learning, so that nobody is left behind in the process of restructuring.

## Work

To compete in a global economy and to drive effective state provision of services, the way in which we work has changed dramatically. Communication skills, problem-solving and customer care have become as familiar and important as the ability to build a house, a ship or a car. ‘Total Quality Management’, ‘market testing’, ‘business process re-engineering’ or whatever is the latest trend for ‘world class’ businesses or for inclusion in the ‘mission statement’, nevertheless generate profound underlying changes in the way we work that are not just the whim of fashion.

Trade unions seek to influence employers and government institutions through bargaining and lobbying, to establish standards that protect the living conditions of workers, their health and safety and their daily life at work. Restructuring changes none of these basic principles, but it requires trade unions to adapt and build strategic responses that anticipate and influence change, as well as supporting workers in coping with its consequences.

Trade unions cannot do this by simply relying on their ability to bargain effectively at a single workplace and to affect strategic decisions on restructuring in sectors. The need for organisation at the workplace remains critically important for success beyond, but it is the levels of decision-making outside the individual office, factory or care-home that have become increasingly strategically important. The articulation of these levels and the building of solidarities that enable an effective trade union response to restructuring are the issues dealt with in the TRACE Key Actions that this handbook brings together.

2) Specific issues of restructuring are not dealt with in detail here but in a related publication, the *TRACE Topic Sheets*, dealing with: Anticipating and Managing Change; Closure; De(re) centralisation; Merger and Acquisition; Outsourcing and Offshoring; Privatisation; and Relocation.



## BUILDING STRATEGIES

**'We must accept that there is complexity but not treat it as an obstacle'**

*Adolfo Braga, Istituto Superiore per la Formazione – Confederazione Generale Italiana del Lavoro, Italy*

Restructuring in both the public and private sectors can seem the outcome of distant and hidden decisions that are hard (or even impossible) to challenge or influence, and yet their impact is felt directly on the daily lives of working people. The TRACE project has sought to engage with this seeming dilemma by exploring ways of anticipating and influencing change, while protecting workers in their workplaces at the same time. In reality, one cannot succeed without the other. The effective articulation of the local, national, European and, beyond this project, the global, is central to a positive, proactive and sustainable trade union response to restructuring. This is not an abstract argument, as it has implications for the ways in which trade unions organise and for the jobs that trade union representatives do. It is precisely these issues of building solidarities across workplaces, national borders and economic sectors that are at the heart of the TRACE project.

Being strategic means being proactive and setting agendas at all levels and coordinating actions so that they can deliver. The lessons from the TRACE project show that effective strategies require:

- Accessing and exchanging information
- Anticipating restructuring
- Generating awareness
- Influencing the process to influence the outcome
- Taking action with others to manage change.

These strategies need to be built at every level – the workplace, the locality, the sector, the nation state and the European level – and they need to be coordinated, if they are to be effective.

Underpinning this strategy are the founding trade union principles of solidarity and collective action, but now alliances need to be built across borders that challenge existing ways of acting.

## Socially responsible restructuring

**'By having different objectives and different values we could have a different restructuring debate'**

*Penny Clarke, European Federation of Public Service Unions*

**'We need to manage the internal market in a way that is socially and environmentally acceptable'**

*Judith Kirton-Darling, Uni-Europa*

While strategies need to be built at different levels and coordinated effectively, they need to be developed within a framework that establishes the general principles of a trade union response to restructuring. Trade unions have adopted a guiding principle that restructuring must be 'socially responsible'. That is, that it takes into account and works with the needs and aspirations of workers and the communities they live in, through the development of a social dialogue. In order for restructuring to be socially responsible, the process must be transparent and open to influence. Social responsibility does not come after the restructuring has taken place; it is an integral part of the process.

In order to respond strategically to restructuring, trade unions can begin by stating some general principles that might apply in all circumstances. The European Trade Union Confederation insists that, as restructuring occurs, these principles include:

- Better use of existing mechanisms for managing change, including political, legislative, and contractual instruments
- Advance notification and consultation with social partners before restructuring gets underway, to set up a framework of measures to support workers in the process of change
- Personalised solutions for workers made redundant as a result of restructuring, including counselling, support in job-seeking, work placements in other firms, professional retraining, and access to credit for setting up small businesses that meet local needs
- Good quality training and lifelong learning for all employees, which should be an ongoing process throughout companies in Europe
- Adequate social benefits to provide a safety net for workers confronted by a period of unemployment

- Strong partnerships between actors at regional and local levels, offering the most effective means of finding appropriate solutions for each community
- More research into long-term prospects of European industrial sectors, to give advance warning of areas where jobs may be at risk in the future.

The Key Action led by the European Metalworkers' Federation provides an approach to this in a particular sector where it has articulated 10 principles for socially responsible restructuring (see box).

This handbook is designed to reflect the TRACE project's Key Actions dealing with the issues of socially responsible restructuring, and to draw on examples of how trade unionists have built effective strategies based on the key principles of anticipating change, influencing change and managing change. In doing so, they have developed an approach that says: *'Anticipate. Don't wait; negotiate'*, and have developed a process that demands:

- Information
- Anticipation
- Alliances
- Influence
- Action
- Reflection.

## THE EMF TEN PRINCIPLES OF TRANSNATIONAL RESTRUCTURING

### *European Metalworkers' Federation* *Key Action*

Develop an early warning system

Ensure full compliance with information and consultation rights, both at national and European level

Set up a trade union coordination group, composed of the unions involved in the company, the European Works Council and the EMF coordinator

Ensure full transparency of information

Draw up a common platform

Ensure negotiated solutions, acceptable to all

Develop a communications strategy

Envisage cross-border activities

Explore any legal possibilities to ensure that workers are heard

Ensure binding commitment

## EXCHANGING INFORMATION

**'A first step is the exchange of information as workers often realise that they have different information'**

*Pascal Catto, Confédération française démocratique du travail, France*

The key to anticipating change is the collection, analysis and dissemination of information. Data can be available from public sources (often easily accessible on the Internet) and from employers and their organisations, but equally from the knowledge and experience of workers and trade unionists themselves. 'We could see this coming,' is a familiar cry.

Pulling together the disparate sources of information, making sense of them and disseminating information to those that need to know, is as critical as accessing the sources in the first place. Information is critical, but knowing what to do with it is equally so. Many union organisations are now investing resources in people whose job it is to coordinate strategies across sectors or within companies. For example, the Key Action led by the European Mine, Chemical and Energy Workers' Federation aimed to build coordination between European Works Councils (EWCs) in the chemical sector, following successful developments in other European Industry Federations. As well as its organisational function, this activity allowed unions to develop information flows across a sector, so that trends could be identified and the activities of individual companies were not seen in isolation. EWC members can also share experiences through training programmes, conferences and building national and regional networks.

In the public sector, the European Federation of Public Service Unions (EPSU), in its Key Action, developed a strategy for sharing information across national boundaries about how the decentralisation of services is being managed. By gathering information about what is happening in other countries, nationally based trade unions can anticipate potential changes in their own countries. In this case, the Key Action was particularly successful in involving new and non-EU Member States together with those in the former Central and Eastern European Countries facing critical issues in the restructuring of public services.

### **'Information adds value by being shared'**

Another strategy for gathering information is through the use of surveys. The European Trade Union Committee for Education (ETUCE) Key Actions involved gathering data on the impact of restructuring in the education sector, through surveying national member organisations and disseminating outcomes. As noted earlier, restructuring affects the jobs people do and the way work is organised, just as much as shifts in employment and redundancies. Gathering information and sharing it is critical in shaping responses to employer and management initiatives in working arrangements and, in this case, payment systems and performance management. ETUCE's experience led them to note in their report the need:

**'to inform and train teacher trade union representatives, negotiators and members...the importance of better cooperation with employers' representatives; and the need for better information, data and above all resources... the main lessons learned [were] the need to anticipate change and train trade union representatives accordingly; [and] the need for better inter-union cooperation.'**

## Networks

As well as simply gaining information through exchanges as a guide to better decision-making, some TRACE Key Actions sought to develop existing networks or initiate new ones<sup>3</sup>.

In the graphical sector, UNI-Europa, the services sector federation, created an online network to enable information to be exchanged across national boundaries. Using a common information sheet, the Key Action would collect information on companies to be held in a database that would provide those accessing the network with:

- Information on the economic and financial position of each site, allowing an understanding of any planned restructuring or relocation
- Information on working conditions and terms of employment
- Information on collective bargaining practices and trade union rights.

<sup>3</sup>) The practicalities of developing online networks are dealt with in other TRACE publications – *Introduction to Networking and Animating Networks* – to be found in the 'Materials' section of the project website at <http://www.traceproject.org>



UNI-Europa also planned to encourage the use of the network by distributing an electronic newsletter. The Key Action also encountered some of the problems associated with networks, in terms of their need to be inclusive, to manage language differences and to encourage participation by making the network add value to the work of already busy trade unionists.

In the private sector, the Swedish transport trade union, SEKO, and the European Transport Federation (ETF) initiated a Key Action to develop an online network that would facilitate information exchange in the rapidly developing logistics sector. This is particularly important in a situation where a 'new' sector is overtaking trade unions traditionally organised around separate transport sectors, such as road and rail. In this case, a network can not only provide for information exchange to support the analysis of restructuring and its impact, but also identify and disseminate good trade union practice in dealing with change.

Central to any successful network is the consideration of the two central features of people and information. Who are the appropriate people to be involved; what can they contribute and what will they gain from their involvement? What information will the network need; how can it be sourced and then disseminated? Often the responsibility for both people and information falls on one person. This has the strength of there being a clearly identified coordinator but it requires appropriate time and resources. A successful network requires the active participation of all its members if the coordinator is to be a facilitator, not a dogsbody.

### **Good Practice in Building Information Networks**

Identify key sources of information and check them regularly

Cross-check information

Establish networks to share information and use them

Be focussed – networks need to provide useful information and add value, so be decisive where networks do not do that

Use information to anticipate and build action

Work with workplace representatives, EWC members and union officers at all levels, as they are valuable sources of information

Ensure participants are responsible for contributing to the network – do not overburden one person

Supplement online networks with face-to-face meetings

# ANTICIPATING CHANGE AND ASSESSING ITS IMPACT

The question is whether you try and anticipate changes and get yourself up and running to cope with them or whether you're constantly reacting at a later stage when you can't influence it'

*Judith Kirton-Darling, Uni-Europa*

Some changes are unpredictable in their development and impact. At the time of rapid expansion in the post-war period, few could have predicted the dramatic decline in some sectors of manufacturing industry in Europe in recent years. Similarly the emergence of privatisation would have been unthinkable at the time of the growth of the welfare state, or the globalisation of communications technology when the Internet was first introduced. However, long-term socio-economic trends in different sectors can be tracked, as companies and governments themselves develop strategies for managing change. Equally, the policies of the European Union have a major impact on restructuring, and trade unions need to monitor and respond rapidly to developments. Unions need to invest material and human resources in research to track these changes and to work with partners, such as universities, to develop and supplement the necessary expertise.

The TRACE Key Actions offer a number of examples of activities designed to anticipate change at different levels and in different sectors. They have chosen to use different strategies to anticipate change, but in each case this has involved the active participation of the unions themselves, rather than a simple reliance on external sources.

## Anticipating Workplace Change

Trade unions in Portugal (CGTP-IN) and Spain (CC.OO), working together across borders, looked at the question of anticipating change in the textile industry at the level of the workplace in a particular enterprise. The textile industry has been rapidly restructured as a result of global competition, and there has been a relocation of jobs that has led to crises for companies and communities. The project worked with external experts, senior union officers and local trade unionists to develop a matrix for analysing the competitive position of a company. The matrix identifies a range of indicators and a simple procedure for evaluating any enterprise against them, so that local trade unionists can analyse likely change in their own company. Tracking the data over a period of time reinforces its validity and enables workers to anticipate potential restructuring before it happens and take up the issues with management. The Key Action was built by bringing together trade unionists from across national borders, so the matrix can be used to make transnational comparisons and build solidarity.

# BUILDING ALLIANCES

Trade unions are united by shared values of justice and fairness and the shared methods of collective organising, bargaining and influencing policy-makers. Restructuring challenges the sectoral and national organisation of trade unions and brings new pressures on existing organisational structures and bargaining systems.

Building solidarities and alliances across boundaries has been a key factor in the TRACE project, and there has also been important reflection and action on how trade union workplace organisation needs continual building and rebuilding.

Two TRACE Key Actions dealt with issues of restructuring and union organising. In the first case, the UK Trades Union Congress (TUC) and the Austrian confederation, Österreichischer Gewerkschaftsbund (ÖGB) focussed on the development of small and medium-sized enterprises (SMEs) that are a common business outcome of restructuring. While some unions had long-standing success in organising in smaller businesses, there were regular examples of employer hostility in the sector, and problems for unions in resourcing recruitment campaigns and sustaining support for new members. The Key Action has resulted in a handbook for membership recruitment in the SME sector.

In another Key Action, trade unions in Finland and Estonia used the TRACE project to develop further a relationship begun in the mid-1980s and to use the issue of restructuring to build organisation at the workplace. The Finnish SAK and the Estonian unions produced guidelines for union representatives on restructuring, which refocused on basic trade union organisational issues, such as why be a union member; what do unions do; and the role of the shop steward. This may seem a long way from the strategic intervention at the sectoral or the European level, but restructuring often means the movement of employment to areas where unionisation is low, sometimes as a deliberate strategy, so building cooperation and focussing on workplace organisation is an equally important part of trade union responses to restructuring.

## Good Practice in Building Workplace Organisation

Map membership at different organisational levels

Develop strategic campaigns to improve organisation

Allocate sufficient human and material resources

Identify active supporters as agents of trade unionism

Train organisers

Beyond the workplace, build cross-national alliances to learn from each other, anticipate key areas of activity and put pressure on employers, where necessary

## Understanding each other

A repeated point made throughout the TRACE Key Actions was the need to understand 'difference', if cross-border alliances are to be built successfully. It is vitally important for a coordinated response to restructuring that trade unionists understand the strengths and limitations of other countries' employment legislation and collective bargaining arrangements. Where this is not the case, expectations may be raised that cannot be met or actions undermined through misunderstandings that could be avoided.

In another Key Action, French and UK trade unionists are developing an educational package to support workers in multinational companies faced with restructuring.

TRACE course trainer, Alison Foster records:

**'The French had their opinion of UK law, but it turned out very differently in reality, and it was the same for the UK. It was not a question of which one was best, but understanding the difference. There was often a misunderstanding that a union was not doing something when, in reality, there were restrictions on what actions a union could take, so it's really important to avoid misunderstandings about this.'**

As a way of understanding the strengths and limitations of each others' employment relations systems and laws, French and UK participants in the Key Action were presented with case studies from each others' countries and asked how they would then have been dealt with in their own national context. This rapidly highlighted the differences and helped the two nationalities understand each other in a very practical way. Once that had been done, then the process of building sustainable alliances could begin on a sound footing.

**'When dealing with other cultures it is very important to let people have space and time to get to know each other'**

*Pascal Catto, Confédération française démocratique du travail, France*

Italian trade unionists from the Italian confederation, Confederazione Italiana Sindacati Lavoratori (CISL), worked with the Danish LO-Skolen to build an understanding of each other that took into account broader issues and, in particular, began to develop an analysis of companies that were located within particular regions. Locality can be the forgotten dimension in developing

strategies on restructuring, as unions seek to go beyond the constraints of 'place' and match capital's increasing ability to move in 'space'. However, the impact of restructuring is felt particularly hard where communities are devastated by workplace closures or where new investment demands strategies for re-skilling.

#### **Good practice in Learning About Each Other**

Give plenty of space and time

Explore differences, don't ignore them

Be focussed – don't try to understand everything at once

Start with immediate and shared practical experiences

Take things in stages

Fit approaches to different cultures

Learn from good ideas and identify things that need to change in your country rather than theirs!

### **Cross-Sectoral Alliances**

**'The economy is changing so quickly, particularly the service economy, and new services are developing, and new techniques with technological change, which completely blow away old sectoral definitions and mean you have to take a new approach to how you organise trade union work'**

*Judith Kirton-Darling, Uni-Europa*

Some economic sectors have remained stable for many years, and stable trade union organisation and industrial relations have emerged to match them. Restructuring can occur within sectors, but also in ways that challenge the stable boundaries of sectors and, therefore, those long-established employment relationships. This is a particularly challenging aspect of restructuring, as trade unions may not have organisations that operate across sectors; established practice in the different sectors may clash; and trade unionists may simply not be used to working together. (See the box *Restructuring Sectors and Building New Strategies* for details of a Key Action dealing with some of these issues). This has been particularly difficult in some cases, where privatisation or deregulation has been opposed by trade unions who have then had to work within the new sectoral frameworks. As the TRACE Key Actions have repeatedly demonstrated, early action in anticipating change is vital for successful strategies to develop.

The Italian confederation, CISL, also worked with the Danish LO-Skolen to build case study analyses of different sectors and the companies working in those sectors. This supports action at the company level by locating it

### **RESTRUCTURING SECTORS AND BUILDING NEW STRATEGIES**

#### **SEKO and ETF Key Action**

Restructuring created by companies outsourcing non-core business saw the emergence of the logistics sector, drawing together road, rail, sea and air transport. European Works Councils in logistics companies crossed the sectors in an area where unions had often been traditionally organised by transport mode. Labour market changes led to a growth in self-employment and SMEs, as logistics companies, in turn, outsourced. Responding to these changes raised strategic questions about linking together national collective bargaining frameworks, company-based European Works Councils and working with the European Sectoral Social Dialogue Committee. This raised further questions for the participants in the TRACE project about the need for European-level regulation of self-employment, the need for updating the Transfer of Undertaking regulations to deal with emerging sectors, and the revision of the existing Directives on information and consultation.

*Based on the contribution of Béatrice Hertogs (ETF) at the TRACE Review Workshop, June 2006*

within a sectoral framework, but also enables workers to see differences and similarities in restructuring strategies adopted by employers across sectors. Working with trade unionists from other sectors can provide the foundation for anticipating change in your own sector, by demonstrating the drivers of restructuring and their application by employers.

### **Cross-National Alliances**

**'Too often we are looking at each other as competitors and we are all going down'**

*Luc Triangle, European Metalworkers' Federation*

Trade unions have always understood the need for transnational solidarity and support, to the extent that some trade union movements, for example, in developing countries, simply could not survive without it. However, restructuring has brought new challenges, as transnational alliances become a necessary part of organising and bargaining. Building alliances and taking solidarity action is not simply a short-term response to a particular crisis but part of the restructuring of the trade union movement itself.



These issues were confronted directly in a number of TRACE Key Actions, all of which involved trade unionists working successfully with others, beyond their own national boundaries. If there is a central lesson from TRACE, it is that with patience and understanding, successful and sustainable transnational alliances can be built.

## Cross-Company Alliances

It is within organisations and individual workplaces that the most immediate impact of restructuring is felt. Public sector workers find themselves in the private sector or responding to the demands of decentralising services; or private sector workers shift from multinational companies to small businesses, as a consequence of outsourcing, or have to make new products in new ways.

The utilisation of information and consultation rights is critical for developing strategic responses to these changes. In the public sector, these rights remain embedded in national employment relations systems, despite the shift of decision-making in many areas to the European level. The successful fight for consultation rights in Higher Education, identified in the European Trade Union Committee on Education (ETUCE) Key Action, is an example of the road that still needs to be travelled in this respect.

In the private sector, national legislation has been supplemented by European rights in recognition of the level at which restructuring decisions are made. These rights have been exercised by European Works Councillors in companies that have adopted EWCs since the introduction of the EU Directive in 1994.

EWCs featured in a number of TRACE Key Actions as important organisations in anticipating and managing company restructuring and adding to the development of strategic responses at the sectoral level. European Industry Federations have established strategies for supporting and working with European Works Councillors, and there have been extensive training programmes to help EWCs develop effective strategies in areas such as restructuring. This was the particular focus of the Key Action that brought together trade unionists from the Spanish Comisiones Obreras (CC.OO) and from the Portuguese Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional (CGTP-IN) confederations. They produced guidelines for European Works Council members to support effective communication and to deal with the challenges the project identified, in areas such as:

- Harmonising the different types of Agreement (Articles 6 & 13)
- Developing common visions to avoid plant competition

- Increasing the number of meetings and resisting the replacement of face-to-face meetings with 'distance' meetings
- Avoiding the use of the confidentiality rules as a means of not providing information

### Good Practice in Building Alliances

Start activities before there is a crisis – this builds the trust necessary, if there is a crisis

Give time for people to understand and respect difference

Keep regular contact and include face-to-face meetings whenever possible

Be open with information and share it

Involve people at all levels, from shop floor representatives to senior officers

Be persistent – even language differences can be overcome!

## CROSS-BORDER ALLIANCES

### *Lo-Skolen and CISL Key Action*

This Key Action set out to build on already established links between Danish and Italian trade unionists. The action brought together workers from different sectors and at different levels in their trade union organisation, from general secretaries to shop stewards. The programme challenged the language difference by encouraging communication between participants in their mother tongues, rather than always through a common language, such as English, or via interpreters. Presentations helped participants understand differences and similarities in labour markets, trade union organisation and issues such as outsourcing. There were then case studies of sectors and individual companies, followed by discussion of union strategies. These included:

*Building regional networks involving all levels of trade union representative*

*Sharing experiences between workplaces*

*Collaboration with other regional organisations, such as universities, public authorities and employers' organisations.*

The key lesson on building transnational alliances is that it is a long process, if it is to be sustainable, and requires face-to-face contacts. One outcome of the Key Action is the planning of further bilateral projects, study visits, joint courses and other exchange activities.



## GAINING INFLUENCE

Restructuring is a process with particular outcomes and trade unions seek to influence both the process and its outcomes. This means engaging with decision-makers and using the procedures that are available to shape their decisions, and doing this, as the TRACE project emphasises, at the earliest possible stage. Influence depends on three key things: the knowledge to be able to intervene; the resources necessary to do that effectively; and the organisational strength to support action, where it may be necessary. However, these cannot deliver without an awareness of how to intervene and use the procedures that are available for influencing decisions.

Decisions affecting restructuring are taken at many levels, both politically and commercially, and it is often the interaction of these two spheres that drives restructuring. For instance, restructuring in sectors with high levels of public ownership requires political decisions in relation to deregulation. Trade unions are regularly seeking to influence the decisions of the European Union to implement supportive policies, but employers are, of course, doing the same thing. In some cases, where there are common interests in re-skilling or lifelong learning, employers and unions can work together, so alliances can be built with them on strategic issues such as these. In other cases there are strong divergences of interest, and political alliances will need to be utilised by trade unions to deliver favourable outcomes.

In some cases, it is not always easy to identify the decision-maker, or there may be a number of individuals or organisations that affect restructuring. In other cases, trade unions may not have access to the appropriate decision-maker, so there is always work to do in identifying key decision-makers and negotiating access, or using a third party where the unions cannot push open a door themselves.

At the European level, trade unions have established links with employers' organisations in the same way that national unions have with their own national employers' organisations. Equally, European Works Councillors have access to senior business managers in their own organisations. These are key people in terms of influencing decisions, but trade unionists will need to develop networks of influence beyond them, if they are to deliver successful strategic campaigns. This is a lesson that has been learnt in the United States. There, in an often openly hostile anti-union environment, trade unions have developed campaigning strategies that identify pressure points on an organisation and have

worked with members and affiliates in deciding 'who does what' in relation to exerting the most influence<sup>4</sup>.

Building influence is an ongoing process, but the TRACE project provides further examples of how this can be developed and activated at the European level.

### Influencing legislation

UNI-Europa used the campaign on the EU Services Directive as an opportunity to develop a network among affiliates and to produce a trade union guide to the co-decision procedure. UNI-Europa notes that this procedure is used for decisions on all internal market and employment legislation in the EU, so it is particularly important for trade unionists. The process is also open to influence, as the European Parliament and the Council of Ministers consider the proposals. The key opportunities identified by UNI-Europa are set out in the box below.

#### CO-DECISION PROCEDURE

##### *UNI-Europa Key Action*

European Commission Communications set the parameters for future legislation but they are also designed to encourage debate, so they provide an opportunity to anticipate and influence change.

European trade unions are consulted on draft versions of social legislation, giving national unions the opportunity to pressure their own governments, as well as giving European Industry Federations and the European Trade Union Confederation the opportunity to prepare their own positions.

These early stages offer a critical opportunity to prepare and begin the process of influencing policy, particularly where a strong position of resistance is necessary, or where alternative strategies will need to be developed.

UNI-Europa then identifies 7 stages through which the legislation must pass and identifies the opportunities for influencing change at each level. Finally, Directives will be transposed into national legislation, giving a final opportunity for national trade unions to shape the transposition so it suits their own conditions.

4) Further details and training materials on the Transatlantic Labour Dialogue programme can be found on the ETUI-REHS website at <http://education.etui-rehs.org/en/projects/transatlantic/transatlantic.cfm>.

The ETUCE Key Action looked at an area that many might consider beyond the restructuring debate – higher education. However, it illustrates the importance of understanding that few sectors or organisations can stand outside the global economy, and that universities can also outsource and develop ‘offshore campuses’, when faced with the cost challenges that drive so much restructuring. In this case the process was also driven by the legislative framework of the ‘Bologna’ reforms, and ETUCE needed to develop influence where its role had been restricted.

**‘We were not part of the Bologna process at the beginning, so we had to fight and show we were serious, and had to be considered as a partner that could give added value to the process.... We now have access to a lot of information we were excluded from before’**

*Monique Fouilhoux, ETUCE*

## Using Legislation

Trade unions use legislative procedures every day of their working lives, as they seek to represent members at Labour Courts and tribunals, or seek the implementation or interpretation of collective agreements. Taking cases to the European level is clearly more complex and time consuming and no substitute for negotiated agreements. In some cases, however, negotiation is not an option, but influencing decisions through legislation might be. The EMF, in its Key Action, points out that workers would be advised to ‘keep

the judicial procedure in mind, at least as an option of last resort’. The box below summarises the EMF’s approach to the European Merger Control Procedures.

## Sectoral Social Dialogue Committees

Sectoral Social Dialogue Committees (SSDCs) provide opportunities for trade unions to work with employers to comment on Commission Communications or policies, and also to be more proactive in developing strategies for their own sectors. In relation to the demands of restructuring, the SSDCs have been particularly active in engaging in discussions to develop agreements and disseminate guidelines in skills development and life-long learning. In transport, the role of the SSDCs was considered important in a new sector (logistics), where change was rapid and ‘new types of jobs emerge as well as new job-related skills’. The SEKO/ETF Key Action aimed at developing guidelines and examples of good practice in dealing with restructuring in this sector.

### DEALING WITH TRANSNATIONAL COMPANY RESTRUCTURING

#### *European Metalworkers’ Federation Key Action*

The EMF Handbook on Restructuring, produced as part of the project, offers advice to senior union representatives in using the European Merger Control Procedures. These became effective in May 2004 and their scope is limited to Community-wide mergers or takeovers in large multinational companies (further definitions are provided in the Handbook). While the unions were unsuccessful in their demand for full worker involvement in the process, employee representatives do have an opportunity to contribute to the process. The stages at which they can get involved in either having access to information or being heard are detailed in the Handbook.

### USING SECTORAL SOCIAL DIALOGUE COMMITTEES

#### *SEKO and ETF Key Action*

The Sectoral Social Dialogue Committee provided a forum for developing two inter-related strategies for supporting workers in restructuring.

A previous European project, NOVALOG, had focused on establishing a common framework of competencies for staff in warehouses. The Key Action concluded that this could help unions ‘to establish job definitions and job evaluation and classification systems as well as to specify training needs’.

The second strand of the strategy was to develop a joint recommendation on training rights that included aspects such as:

- The need for up to date and accurate employment statistics

- The identification and anticipation of competencies and skills

- The commitment to annual time off for staff to participate in lifelong learning.

The SSDC opened up an opportunity for anticipating change and working in partnership to support workers, where restructuring was affecting their employment opportunities.

## European Works Councils

European Works Councils (EWCs) are a most significant way of seeking to influence strategic decisions at the European level, alongside the similar opportunities now available in companies covered by the European Company Statute. EWCs have made enormous strides since the introduction of the European Works Councils Directive in 1994. The growth in numbers has been exponential, with more than 700 agreements now in place and sectors such as metalworking with strongly organised and coordinated EWC activity. However, the amount of work still to be done remains clear, with EWCs slow to grow in sectors where there is employer resistance and lower levels of unionisation. Moreover, surveys of European Works Councillors and academic analysis suggest that most EWCs still have to realise their full potential as influential bodies.

What is clear is that EWCs have a unique opportunity, supported by European legislation, to draw together fellow trade unionists across national boundaries and to meet with the central management of their enterprise. This provides an important opportunity to organise and to influence companies at the strategic level, before decisions are taken. The Key Actions led by European Industry Federations from the private sector focussed strongly on involving EWCs in actions on restructuring. In another Key Action, Portuguese and Spanish union confederations produced Guidelines for EWCs in their respective languages that covered the transposition of the EU Directive into national legislation, the need for revision of the Directive, and the use of EWCs as a tool for trade unions in dealing with restructuring.

## Influencing Beyond the Key Actions

Trade unions are constantly involved in seeking to influence decisions beyond the European focus indicated here. At the national level, unions will seek to influence their own workplaces, companies, public authorities and governments. At the global level, organisations such as the Global Union Federations, the International Confederation of Free Trade Unions and the Trade Union Advisory Committee to the OECD will seek to use their influence at the International Labour Organisation (ILO), the World Trade Organisation and other such bodies. If trade unions are to make their presence felt, as companies, industries and public authorities restructure, then they must operate effectively and vigorously at each of these levels. This requires expertise and specialisms in each of the fields but, crucially, it requires the coordination of activity at the European level, as the lynchpin of

the relationship between the local and the global. In effect, trade unions operating at the European level are able to coordinate and represent cross-national interests and to act as mediators in ensuring that a European influence is felt at the global level.

In making their influence felt, unions will use a variety of mechanisms ranging from publicising in their local media, working with national employers' organisations, lobbying Members of the European Parliament or using global agreements, such as the decision-making procedures of the OECD Guidelines on Multinational Enterprises<sup>5</sup>.

Influence depends on organisation, awareness, information and action and, as we have seen, these featured prominently in the Key Actions. Further Key Actions raised critical questions in relation to raising awareness and reviewing the traditional means of trade union influence: collective bargaining.

### Good Practice in Gaining Influence

Access information – what do you need for your particular case?

Check what others are doing and don't repeat it

Coordinate action – if necessary, from the local to the global and across sectors

Check the channels of influence open to you and plan how to use them

Start early and timetable actions, so that you don't miss opportunities and can build pressure during the course of a campaign

Raise awareness among union members, at all levels and stages

5) Advice from the Trade Union Advisory Committee to the OECD on using these Guidelines is available at [www.tuac.org/publicat/guidelines-EN.pdf](http://www.tuac.org/publicat/guidelines-EN.pdf), along with training materials for European Works Councillors.



# COLLECTIVE BARGAINING

Collective bargaining is the traditional trade union method for seeking agreement with employers. It has typically been confined within national boundaries, although there have been recent attempts to coordinate aspects of collective bargaining at the European level, for example within the context of the 'Doorn Process'. It has also focussed on the key terms and conditions of employment of union members in particular sectors, enterprises or workplaces, although unions will also seek understandings with governments on frameworks for collective agreements. In some respects, the scope and range of collective bargaining has been restricted to this strong focus on the terms and conditions of employment of workers, however they are arrived at specifically. Restructuring clearly impacts on those terms and conditions of employment, but traditional collective bargaining strategies need to be re-thought, to respond more effectively to the challenges that restructuring brings. In this respect there are competing tensions, as the strategic decisions on restructuring are taken at more and more remote levels in organisations and public authorities, whilst their implementation is subject to a process of decentralisation and local bargaining.

This can bring two inter-related problems for unions. Accessing and influencing strategic decision-making has been a major focus of the Key Actions but, in general, employers' reaction to union involvement and the legal structures that support that involvement have been confined to information and consultation, rather than bargaining. Information and consultation are key components of influence, but they do not necessarily carry with them a commitment to negotiation and agreement. At the local level, bargaining implies levels of workplace organisation and skills development that may be lacking, as unions have traditionally done things differently or as they seek to maintain national and sectoral bargaining arrangements. These tensions are seen in the Key Actions, as participants seek to deal with the strategic issues discussed earlier and also with questions of impact.

At the global level, the ILO conventions set standards adopted by national governments that aim to protect the rights of unions and their members. Increasingly, we are seeing these conventions incorporated into International Framework Agreements (IFAs), negotiated globally with multinational enterprises. EWCs and trade union organisations can also use the OECD Guidelines on Multinational Enterprises to exert pressure, where they are applicable.

## Eurobargaining

At the European level, bargaining has the potential to operate at the sectoral or enterprise level. In addition, the ETUC has some experience in coordinating collective bargaining as part of the 'Doorn Process'. Sectoral Social Dialogue Committees can provide a useful opportunity at the sectoral level, with EWCs being regarded as a potentially important agency for bargaining at the enterprise level.

**'The main message about transnational restructuring is that restructuring needs to be handled by trade unions at the European level – we don't negotiate restructuring at the national level, we must first go for a European framework'**

*Luc Triangle, EMF*

European level bargaining within sectors can begin with developing the transnational coordination of strategies. As we have seen, the first step requires understanding different trade union organisations and bargaining systems but, once that has been done, further action can be taken. As Adolfo Braga said of the Key Action he was involved in (see box below):

**'We chose collective bargaining, because it is something all trade unions are familiar with.'**

### COMMON BARGAINING POSITIONS

#### *ISF-CGIL and FESETE/CGTP-IN Key Action*

The project began by locating the textile sector within a global context and concluded that a trade union approach to globalisation would be better called 'sustainable globalisation', with social dialogue at its centre. This requires a transnational dialogue between trade unions that can be conducted at different levels, in order to generate common bargaining positions.

This specifically requires establishing an archive of documents that are readily accessible to bargaining partners, so that strategies can be effectively integrated. The Key Action is producing a CD-ROM, containing appropriate documents, Internet links, details of different bargaining systems and a common trade union claim chart, to facilitate bargaining coordination.

The Key Action, which brought together Italian and Portuguese confederations, decided to involve factory-level workers alongside general secretaries, because **'to achieve common demands, everybody must be involved in formulating them'**.

While it is more difficult to develop direct European bargaining with employers in the public sector, because of the national divisions in public authorities, the concept of establishing European frameworks remains an important one, where there are clearly cross-cutting issues raised by restructuring in terms of employment, re-skilling and decentralisation. This was evident in the Key Action coordinated by EPSU.

## Local bargaining

In the report of the Key Action coordinated by SEKO and the ETF, the logistics industry exemplifies what is happening across many sectors, as **'flexible specialisation requires local units...[and]...this is likely to result in pay bargaining taking place at local level, while corporate or industry national bargaining will take place on 'consultative' issues, for example, minimum standards'**.

In another Key Action, the Austrian confederation, ÖGB, and the UK TUC (UK) focussed on the implications of restructuring for the emergence of Small and Medium-sized Enterprises, where trade unions have often not had a strong bargaining position at the level of the workplace and where resources are required to organise effective activity.

This developing potential was illustrated in the public sector by ETUCE, which analysed the impact of private sector working methods in education. Whilst it concluded that **'teachers' pay was still determined largely at the national level through collective bargaining... provisions were often made to devolve at least some element of pay to sub-national, mainly local and institutional, rather than regional, level'**. This was particularly true of the private sector working methods they surveyed, such as performance management and performance-related pay. The key outcome in this respect is the importance of raising awareness, providing resources and supporting training at the local level, so that workplace representatives are able to bargain at the local level.

Restructuring may be initiated by strategic decisions at the transnational level, but its implications are felt in every office, factory, school or care-home. So it is critical that resources and skills development are available at the local level to enable workers to respond effectively. A key element of this is the development of training resources that raise awareness and develop skills.

## Good Practice in Transnational Bargaining Strategies

Build transnational relationships, before considering bargaining

Understand each other – bargaining systems and styles vary across borders

Allow space and time to develop common positions

Exchange information and make it easily available – online and in translation, where that is practical and cost-effective

Involve all the interested parties in generating common positions

Do the right things at the right levels – what is global, European, national and local?



## EDUCATING AND TRAINING

Raising awareness and understanding of restructuring and developing new skills in response are critical, if unions are to develop effective strategies. The Key Actions themselves each provided opportunities to do precisely this for those participating, but their impact was increased through the development of accompanying educational materials. The Key Action involving the CFDT from France and the TUC from the UK produced a package of training materials to support the development of transnational action planning (see box below).

Taking another approach, the Swedish confederation, TCO, and the TUC (UK) decided to examine one particular restructuring topic – outsourcing – and to look at how training could be delivered, not in a classroom,

but online (See box below). Harry Cunningham from the TUC acknowledges the difficulties in managing the language differences and also the different conceptions of ‘outsourcing’, but was confident that a transnational methodology could be developed to enable the training to reach out to others. He says:

**‘It can be used at different paces by different people’.**

More detailed discussion of online learning also formed part of the TRACE project and the core document, *Transnational Communication Online*, contains a discussion of computer-mediated distance learning<sup>6</sup>.

### TRANSNATIONAL ECONOMIC CHANGE & RESTRUCTURING

#### *CFDT and TUC Key Action*

This Key Action produced a package of training materials for ‘anticipating change and the creation of a social dialogue’ for trade unionists based in different countries but working in the same multinational enterprise. The package contains training materials, methods for using the materials and instructions for coordinators running programmes (including advice on working with simultaneous translation). The programme operates through four key levels, followed by an assessment. The first part helps participants compare legislation and processes connected with restructuring in their national circumstances. The next analyses EU Directives and trade union strategies. This is followed by a comparison by the participants of their different workplaces and their experience of restructuring issues. Finally, participants consider what actions they need to take to build an effective trade union response.

### ONLINE LEARNING FOR OUTSOURCING

#### *TUC and TCO Key Action*

The objective for the Key Action was to create a learning resource that was useable transnationally and was available online. The process of creating the materials was equally as important as the outcome, in that it sought to involve workers from the shop floor alongside senior union officers. Moreover, there was to be an interaction between the trainers, who were skilled at writing training materials for online use, and trade unionists who would be the users. This led to important exchanges during the writing and delivery of materials, as users overcame fears of accessing and using online learning, while trainers had instant feedback from users. Equally, trade union trainers from different countries were able to meet to identify cultural differences in learning strategies, so that a genuinely transnational programme could be delivered. A good outcome is vital in any project, but it is clear from this Key Action that the journey matters as much as the arrival.

6) ETUI-REHS also has a large resource of online and offline learning packages, including guidance on writing materials. These can be accessed via the ETUI-REHS website at <http://education.etui-rehs.org/etuco/en/resources>

### **Good Practice on Training and Restructuring**

Don't duplicate – it wastes time and resources

Check what is already available and use it

Involve both trainers and users in preparing materials

Pilot materials – assess, evaluate and rewrite

Be prepared – have appropriate materials on restructuring in particular sectors

Be transnational – bear in mind when preparing materials that you may be working with multilingual and multicultural groups

Use a broad range of participants, from workplace representative to general secretary

Use the experience of the participants

Be focussed on what is achievable

Use the good training techniques already well established in trade union education

# WORKING FOR THE FUTURE

Restructuring across public and private sectors is an ongoing process that has profound implications for trade unions in the ways they organise and act. The TRACE Key Actions have demonstrated a range of opportunities for unions to influence the restructuring process, but they have also highlighted challenges that still exist and provide food for thought at all levels of the trade union movement.

Restructuring is a process that operates at all levels. At a strategic level, decisions are made internationally, but they will be carried out in specific localities. It is often argued that capital occupies space and workers occupy place but, while this is an attractive 'sound bite', it can disguise and confuse the process of restructuring, as the Key Actions have shown. Capital equally occupies 'place' in the locations where it manufactures products, delivers services, or employs staff in its headquarters. Capital may be mobile in the place it occupies, but that requires strategic decisions, based on an often complex analysis of alternative locations. Equally, trade unions can occupy different spaces, as the Key Actions focussing on building transnational alliances demonstrate. That 'occupancy' can be, and is, reinforced by the engagement by trade unions in networks built through international exchanges on the Internet. Workers also occupy different spaces as they move from place to place, as migrants seeking work or better terms and conditions of employment.

Neither can we simply look at restructuring as a private sector phenomenon. As the Key Actions show, the private and public sector are closely linked in the delivery of goods and services. Equally, the public sector has been restructured throughout Europe and around the world, following the increasing impact of neo-liberal policies that have challenged the post-war orthodoxy of the Keynesian Welfare State. Public sector workers have been privatised, work has been outsourced and job loss has been a commonplace. Private sector management practices and the key drivers of cost reduction and technological change have restructured public sector workplaces.

In responding to this complex pattern of restructuring and its impact, how are trade unions acting to shape their own futures?

## Organising

Organising workers to enable them to exert their collective strength is what trade unions do. Restructuring is challenging both the level of organisation and the way that it is structured.

Workplace organisation has suffered in much of Europe, as trade union membership levels have declined in some sectors and countries and resources have diminished. These existing challenges have been exacerbated by a restructuring process that has hit hard at traditionally well-organised industries and generated new sectors, where trade unionism has yet to take root. These sectors are often characterised by SMEs or employers who see little reason to welcome trade unions where they do not exist.

If trade unions are to respond effectively to restructuring, there is an absolute necessity to focus serious attention on strategies that rebuild workplace organisation, where it has been undermined or has never existed.

Beyond the workplace, the Key Actions illustrate what is already known about the urgent need to build transnational alliances. However important a European-based project is in its own terms, it needs to be located in a global framework.

**'We have to integrate our work with what is going on beyond Europe because it has a direct impact'**

*Monique Fouilhoux, ETUCE*

This raises direct challenges to the existing vertical organisation of trade unions globally and to the coordination between levels. The roles of the different institutions and organisations must be clearly defined, so that trade union organisations can act together coherently within frameworks established at different levels. The same question can also be raised horizontally, that is, across sectors. Sectoral boundaries become fluid as restructuring takes place and as new sectors emerge. Sector organisation has been the basic framework for much trade union activity, but this must be under constant review to encourage reorganisation, where it is necessary to respond to restructuring.

Analysis of roles and coordination of actions at different levels will support and encourage common policy formulation that strengthens the ability to influence employers and governments. The venerable trade union adage of 'united we stand' needs to be strongly reflected in the new environment created by public and private sector restructuring.

## Influencing

In order to wield effective influence, trade unions have to have clear objectives. 'Keeping your eye on the ball' is an easily recognised part of any bargaining process. However, restructuring has the potential to be divisive both between sectors and between countries.

At the most general level, there is sometimes debate about whether restructuring and change can or should be resisted. The outcome of the Key Actions here demonstrates the importance of anticipating and shaping restructuring itself, rather than resisting and then responding to change.

In the private sector the process of change is part of the life of an organisation, and decision-making about restructuring reflects the demands of shareholders and the need to respond to changing markets, shaped by consumer choices.

Restructuring is also part of organisational life in the public sector. However, here the decision-makers are democratically-elected representatives and change is not always led by consumer choice, although it may respond to it. In these circumstances, public sector unions may find themselves and their members more likely to resist restructuring where they believe that change will impact adversely on the communities they serve, as well as on their members.

Private and public sector unions may have different strategies and different levers of influence, because they face different circumstances and different decision-makers. What is important is to develop common strategies that take into account the objectives of different sectors or countries but highlight common positions.

In this respect, trade unions in the TRACE Key Actions have sought to work with transparency and trust, so that common positions can be developed by building alliances that anticipate change, exchange information, develop networks and take new initiatives.

The development of effective communication channels that build positions of influence for unions can challenge existing organisational structures and methods of working. Networking, for example, can work within or beyond existing organisational frameworks. In some of the Key Actions, networks have built on existing union structures and added a new dimension to them, but in other cases the organisational structures did not exist or were even challenged by new ways of working.

Equally, identifying pressure points and building campaigns or developing bargaining strategies to influence decision-making may demand new structures, so that common positions can be established.

The key features of transparency and trust within trade unions provide the basis for coordination and common policies that underpin effective influence in shaping restructuring.

## Bargaining

Restructuring challenges the way trade unions organise and the methods they use to influence decisions, but it also challenges the core method of trade unions: collective bargaining. The Key Actions have demonstrated the tension between the centralisation and internationalisation of strategic planning and the decentralisation of decisions about pay, conditions and working arrangements. The process is inevitably uneven and differs between sectors but the general trends are the same.

Collective bargaining has had its strengths in national and sectoral collective agreements in much of Europe. Where decentralisation has taken place, we might ask 'From where to where?', as collective bargaining at the level of the company or public authority may still be relatively 'centralised'. However, it is the shift in bargaining arrangements that is critical, in that it brings requirements for resources to be refocused at different levels and often for different trade unionists to become involved in the bargaining process.

At the strategic level, collective bargaining itself becomes a key factor, as employers and governments may be committed to social dialogue and information and consultation but not necessarily to negotiating and reaching agreements. European Works Councils, for example, generate debate both within and outside the trade union movement, when it is asked whether they should develop from agencies of information and consultation to ones of bargaining.

Restructuring has brought with it the challenge to review the foundation of trade unionism and ask whether existing collective bargaining arrangements can match the changed world and best serve the interests of trade union members at the workplace. If they are in need of changing, then there are urgent issues of raising awareness about why that is the case, about how change is to be managed and about what sort of collective bargaining structures will fit the future.

## Action

The central question for each of the Key Actions has been: 'In the face of restructuring, what can we do to shape our own futures, so that trade unions can become proactive in anticipating and influencing change, rather than reactive in dealing with its consequences?' This handbook has tried to draw out key issues and illustrate them with concrete examples of successful activities that provide the groundwork for future developments. What is necessary is for the action to be taken now, for obstacles and complexity to be confronted, rather than avoided, and for a trade union movement grounded in its principles to be re-fashioned to take on the challenge of restructuring.

# SUMMARY

## Lessons from the Key Actions

The Key Actions in the TRACE project have provided a foundation for further activity and insights into the lessons that trade unions are learning about restructuring. Trade unions will need to develop their own strategies for their own sectors, localities and workplaces but it is worth summarising the key issues from the Key Actions, as a reminder of what needs to be done.

## Anticipating Restructuring

- Build alliances before restructuring and think about transnational and cross-sectoral alliances, as well as working within organisations
- Identify sources and gather and monitor information
- Build information exchange networks
- Work with other agencies to analyse information and forecast change.

## Influencing Restructuring

- Identify decision makers and the process of making decisions
- Identify pressure points and plan to use the opportunities that arise
- Coordinate activities vertically and horizontally
- Build partnerships, as appropriate, with employers, public authorities and communities
- Use information to support arguments and raise awareness
- Involve members and representatives at all levels.

## Working with Restructuring

- Develop proposals for socially responsible restructuring through social dialogue
- Continue to work with partners at all levels
- Use trade union organisations at all levels as a vital resource
- Be transparent and build trust.

## Reflecting on Restructuring

- What can we learn from others?
- How do we engage with all levels of the trade union movement and coordinate strategies?
- How do we need to develop our bargaining strategies and practice?
- Evaluate existing structures and analyse their responsiveness. If they are not working – what are the alternatives?



# APPENDICES

## 1. TRACE project partners

The partner organisations involved in the TRACE project, which finished in November 2006, were:

### Project Coordinator

- European Trade Union Institute – Research, Education, Health and Safety – Belgium

### European Industry Federations

- European Mine, Chemical and Energy Workers' Federation – Belgium
- European Metalworkers' Federation – Belgium
- European Federation of Public Service Unions – Belgium
- European Trade Union Committee for Education – Belgium
- Facket för Service och Kommunikation – Sweden
- UNI-Europa – Belgium

### National Trade Union Confederations

- Confederación Sindical de Comisiones Obreras – Spain
- Confédération française démocratique du travail – France
- Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional – Portugal
- Confederazione Italiana Sindacati dei Lavoratori – Italy
- Istituto Superiore per la Formazione – Italy
- LO-Skolen – Denmark
- Landsorganisationen i Sverige – Sweden
- Österreichischer Gewerkschaftsbund – Austria
- Suomen Ammattiliittojen Keskusjärjestö – Finland
- Trades Union Congress – UK

### Other partners

- Arbetslivsinstitutet – Sweden
- Leeds Metropolitan University – UK
- The Lyndhurst Partnership – UK

## 2. Other TRACE project publications

Other publications produced by the TRACE project, available in a range of European languages, include:

- *Trade Unions Anticipating Change in Europe: the TRACE project report* – providing an overview of all the project activities

- *The TRACE Topic Sheets* – a set of information sheets on different aspects of restructuring, comprising:

#### *Introduction*

#### *1. Anticipating and Managing Change*

#### *2. Closure*

#### *3. De(Re)centralisation*

#### *4. Merger and Acquisition*

#### *5. Outsourcing and Offshoring*

#### *6. Privatisation*

#### *7. Relocation*

#### *Glossary*

#### *Bibliography*

#### *Education pack with activity sheets and trainers' notes*

- *The TRACE Pedagogical Materials* – a set of handbooks on using Internet and online tools for networking and training in trade union contexts, comprising:

#### *Core Documents*

#### *Communicating Online*

#### *Transnational Communication*

#### *Evaluating Online Interaction*

#### *FirstClass Light manual*

#### *FirstClass Workbook 2*

#### *Web Resources*

#### *Networking*

#### *Introduction to Networking*

#### *Animating Networks*

#### *Computer-Mediated Distance Learning*

#### *Introduction to Computer-Mediated Distance Learning*

#### *Developing and Delivering Courses*

These publications, as well as others produced by the individual Key Actions, are available on the project website at <http://www.traceproject.org>.

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