

# **Green Paper “Restructuring and anticipation of change”: the view of the European Chemical Employers Group (ECEG)**

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## **Working Group “Competitiveness, Employment and Industrial Policy”**

Sector Social Dialogue Committee of the Chemical Industry

**Andreas OGRINZ**

ECEG Secretary of the Board

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# The Green Paper – a consultation document

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- Subject: restructuring processes, anticipation of change
- Context: economic and financial crisis in Europe
- Start of a European-wide debate
- Commission “invites all interested parties” to respond to the questions set out in the Green Paper → no consultation of the social partners

# The Green Paper – overall assessment

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- ❑ Broad, holistic approach
- ❑ Key word “competitiveness”; competitiveness and restructuring are interlinked
- ❑ The idea of anticipation as such makes sense.
- ❑ Prominent role for social partners
- ❑ **BUT**: what “framework for restructuring” (p. 2)? No new regulations!

## The Green Paper – some ECEG answers

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### **What types of framework conditions are most appropriate in order to enable successful industrial adjustment?**

*If you are looking for a clearly defined list of criteria, **the “most appropriate” framework conditions do not exist.** There are as many contexts for adjustment strategies as there are companies (...). In our view, it is only possible to describe framework conditions as “appropriate” in abstract terms: those which restrict entrepreneurial freedom as little as possible (flexibility) but which at the same time ensure a high degree of stability (planning certainty) (...).*

## The Green Paper – some ECEG answers

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### **Is the anticipative approach feasible with regard to management of change and restructuring?**

*Hardly anyone would question the idea that an anticipative approach, i.e. a forward-looking, proactive, future-oriented approach is sensible and desirable (...). However, **(we) warn against a steering optimism which imperceptibly transforms the wish for "anticipation" into "planning" of supposedly unshakable future certainties.** At best, a thorough analysis can identify trends (...) for individual sectors or the economy as a whole, but cannot foresee the future.*

# The Green Paper – some ECEG answers

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## How can the existing orientations and guidelines on restructuring be improved in light of the lessons learned from the crisis and the new economic and social challenges?

*(...) **“Orientations and guidelines”** for restructuring measures can only be general pointers and conclusions deduced from concrete company and social-partner practice. In 2008, European chemical social partners **ECEG and EMCEF** reached agreement on such **“joint lessons** learned on restructuring, managing change, competitiveness and employment” in the framework of a project supported by the European Commission. These conclusions recognise that, while an ideal restructuring implemented using a ready-made recipe cannot exist, it is nevertheless possible to define certain principles which should apply in our sector (...).*

## The Green Paper – some ECEG answers

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**To what extent can mutual trust and shared diagnosis play a role in good management of restructuring? How can this be promoted within companies and in broader contexts?**

*Since restructuring operations are ultimately transformation processes set in train by people, **cooperation based on trust plays a central role.** Yet a "spirit of social partnership" cannot be conjured up at the press of a button, it is the **outcome of years of working together (...).***

## The Green Paper – some ECEG answers

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**What role can evaluation and reporting of past restructuring operations play in increasing knowledge and improving stakeholders' practices?**

*(...) **We (...) reject any obligations on companies** operating in what is already a highly regulated context – not least in chemicals. We regard European information services such as the "European Restructuring Monitor" as a sensible alternative (...).*

# Summary

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1. **Restructuring operations should be regarded as what they essentially are:** necessary adjustments by companies to continuous change in economy and society. This should be kept separate in terminology and thought processes from the many phenomena resulting from restructuring.
2. The framework conditions for restructuring processes should be structured in such a way that companies' adjustment measures can be **decided and implemented as rapidly and with as little bureaucracy as possible.**
3. The **autonomy of social partners** at company, sector, national and European level **should be respected.**

## Summary

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4. The **existing corpus of restructuring-relevant legal provisions is sufficient**. More far-reaching rules, in particular a European “code of conduct”, are superfluous.
5. Policy-makers and authorities should ***enable and flank restructuring processes***, not impede them.
6. The **exchange of good practices on restructuring and institutionalised learning from each other** in the form of social dialogue, internet platforms, sector skills councils, etc., are good instruments which can help to make anticipation of change a beneficial exercise.

# Thank you for your attention!

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**Dr. Andreas Ogrinz, Secretary of the Board**  
European Chemical Employers Group  
(ECEG)

