



DG Employment,  
Social Affairs and Inclusion  
VS/2013/0317

# F.O.R.M. Pact

## FOCUS GROUP Stuttgart

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### Minute

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1. **LEGAL FRAMEWORK** on restructuring and adaptation to economic and social changes.
  - a. Starting points: Long-run reallocation (technological change, demographic change etc) in certain regional areas affected by structural changes
  - b. Main legal regulations.
  - c. Role of collective bargaining and Social Partners involvement: work councils are at company level. Collective agreements: from sector to company level.
  - d. Main provisions for collective redundancies (PADA).
  - e. Provisions for short-time working arrangements.
  - f. Federal Employment Agency finances short time working arrangements. Substantial burden has been discussed.



## 2. CASE STUDIES PRESENTATION

### 2.1 Structural report Stuttgart Region

→ Advantage:

- ☞ focused on region; industrial development
- ☞ No hierarchical structure :
- ☞ real cooperation
- ☞ Different channels of dissemination: press, conference, etc.

→ origin of report: 2 crises

key factors: good climate of formal/informal collaboration in the past

Qualification/ adaptation process → key points

Qualification agreement → people motivated to participate in this qualification process.



### COMMENTS FROM STUTTGART REPORT REPRESENTATIVES

*To what extent there is a consensus of all actors in the formulation of the recommendations?*

People come up with different recommendations, trust.

IG Metal published a structural report many years ago. Big discussion with Chamber of commerce on job losses, etc. Controversial debate involving public.

*How to use the controversial debate into a positive way for achieving a positive outcome?* IG Metal brought together all different actors and points of view.

Recommendations from the Report might have influence on Policy inspirations. Hard to measure direct impact on policies.

*How to improve methodology for better communication ?* It was decided to get more experts involved. Small scale regional conferences, district conferences were organized. Many different stakeholders in the region (Regional alliance, sector alliance, etc).

*How is the recommendation implementation monitoring organized?* Every 2 years a new report looking at what has happened. But the report is based on recommendations implemented by others. It's a downstreaming activity.

*How do you get the training and education system involved?* The chamber of craftsmen is responsible for preparing training curricula.

*Why isn't this experience not implemented in other regions?* The report are well known, it is necessary to create the pre-conditions earlier. A special culture is needed to cooperate. Long preparatory phase to discuss relevant issues all together. Qualitative demand highlighted by IG Metal. Role of collective bargaining as a pre-condition.

Stuttgart: different regional identities. More organized to work together.

Structural report is based only on regional factors and variables, without taking into account external variables.



## 2.2 Emsher Park –

- Holistic approach
- Infrastructure sector/industrial policy
- Training for attracting skilled workers

1) Which incentives for professional transition and for attracting new investment?

2) Which structure for the cooperation? it is a bottom-up approach grass-root project.

IBE international building exhibition.

3) Which sustainability? Which horizon?

Project needs to mature as well as the cooperation between different municipalities.

Ruhr Area region (11 cities) –

- ✓ Employment effects (new jobs created) in 10 years due to investment in big infrastructure development.
- ✓ 20 cities for developing urban and regional high quality systems.
- ✓ No statistics for measuring impact on employment.

Training qualifications, proactive intervention and influence on policies.

One important impetus by IBE is the cooperation of municipalities.

### New projects after the exhibition.

In total 400 projects .

Change is an opportunity. Some guidance elaborated.

→ 2 years negotiation for a public/private agreement → further development of the area – central /regional co-responsibility.

## COMMENTS FROM STUTTGART REPORT REPRESENTATIVES

- ✓ New sites for new industrial developments in the next 20 years.
- ✓ Focus on people – qualification. Universities set up in the region.
- ✓ Decentralized system → how were people motivated to cooperate? “ ...United in diversity.....”.
- ✓ Regional coordination and many independent cities.

Regional coordination for strategy → Implementation at local level.

- Transparency
- Solidarity
- Some access to funding.

- ✓ Financial mechanism → EU/ regional/local funds  
15 years public money, later for infrastructure private funds. Public investment at the beginning.  
Only 1% use of short time working arrangements.

Second generation → to identify private investors. Agreement with EU for 20 years.  
Structural Fund.  
Companies' invest every day.



## 2.3 BOS Company

- 1) Reactive measures for cutting costs. Short time working arrangements.
- 2) Pro-active and innovative practices

*Which stakeholders to be involved?*

- Management,
- Work councils,
- Employment Agency,
- Employees.

*How concretely workers were regularly involved in the proactive phases?*

*Which challenges for application of STWA?*

- To obtain right information
- To challenge administrative burden
- To match all requirements

In BOS, important role was played by Employment Agency.

Qualification programmes has been developed in order to concretely and strategically train/reskill workers on the basis of real needs of qualification. Positive outcomes – low skilled jobs disappeared and up-skilling initiatives were very useful.

- a) *How did BOS expand its proactive measures to its network of small companies?* Difficult to measure impact on Labour Market
- b) *Which obstacles in widely implementing qualification scheme?* It is a good tool, statistics reveal a low use of it. A lot of doubts, prejudices on qualification programmes. People experience that it is important to find jobs, lifelong training is considered useful but without a concrete perceived need. It is difficult to identify the right qualification scheme for a specific target, too many training providers. In-house training providers are considered the best choice. Application for qualification scheme is considered too complicated. Most companies manage qualification initiatives without applying for the scheme and are not in the statistics.
- Innovative measures are not many.

*How to develop qualities (social, work) → things are changing.*

Dualization of LM and qualification systems → Benefits in terms of more well-skilled workers.

Fresh approach is needed to take advantage of different measures, in particular in time of crisis. A profound structural change happened after the crisis in terms of increased number of high-skilled workers.

## Group work

### Stuttgart report:

<b>Strengths</b>	<b>Weaknesses</b>	<b>Transferability</b>
<ul style="list-style-type: none"> <li>- different stakeholders share vision in a common report /editors,/common language (even though there are different views).</li> <li>- Shared responsibility.</li> <li>- Dialogue among different actors</li> <li>- Unique practice in Germany.</li> <li>- Anticipatory scope.</li> <li>- Longevity of the institutional structure.</li> </ul>	<ul style="list-style-type: none"> <li>- It is not an economic programme.</li> <li>- No action taken.</li> <li>- Need for regularly monitoring of report! Decentralized monitoring.</li> <li>- How in concrete the report is disseminated ?</li> <li>- Recommendations/ not agreements</li> <li>- Freedom of implementing activities related to those recommendations</li> <li>- Not possible to impose decisions and there is need for action</li> </ul>	<p>Pre conditions:</p> <ul style="list-style-type: none"> <li>• Limited area</li> <li>• Homogeneous area</li> <li>• Willingness to work together</li> <li>• Well-structured organization (powerful).</li> </ul> <p>Can the Report really work in other contexts?</p>

## Emscher

Strengths	Weaknesses	Transferability
<ul style="list-style-type: none"> <li>- Integration of human capital and environment</li> <li>- Cooperation is the only answer for putting together.</li> <li>- Combination of strategy with action.</li> <li>- Learning system: in the box and out of the box.</li> <li>- Fixed structure and funds.</li> <li>- Comprehensive approach –(economic, human capital).</li> </ul>	<ul style="list-style-type: none"> <li>- Delivery rules missing.</li> <li>- 200 projects: how to coordinate so many projects? How to have continuity of the structure?</li> </ul>	<ul style="list-style-type: none"> <li>- Availability of funds</li> </ul>

## BOS

Strengths	Weaknesses	Transferability
<ul style="list-style-type: none"> <li>- Investment in human capital</li> <li>- Good relationship with the Employment Agency</li> <li>- Voluntary measures</li> <li>- Regular meetings with workers on the evolution of the situation.</li> <li>- Flexibility of type of qualification programmes in targeted way (Timely actions) proper timing.</li> </ul>	<ul style="list-style-type: none"> <li>- Dependence on individual willingness. Complexity of regulations of the qualification scheme in general that prevent many companies from accessing E.</li> <li>- Long term employees main target, but it would be better the overall labour market needs.</li> </ul>	<p>Pre – conditions:</p> <ul style="list-style-type: none"> <li>- Climate</li> <li>- Adequate people involved</li> <li>- Rules for creating transparency and trust.</li> <li>- Focused on time of crisis</li> <li>- Longer term perspective of qualification programmes.</li> </ul>

## Round table on

### What actions and tools to better prepare changes?

☞ 1st question: How to coordinate and integrate different actors/stakeholders responsible in various phases of the implementation and the monitoring of measures for anticipating & preparing to the changes?

- Different institutional context of stakeholders
- Respect between bodies, transparency for setting up trustful relations.
- Relevant players: need to have common understanding.
- Players need to achieve common goals (i.e. importance of qualification).
- 2 aspects: actors need to be very active within the real situation; long period → learning system, flexibility (software needs to be rewritten).
- Monitoring/evaluation: Stuttgart report should take into consideration this aspect..
- Co-ordination without coordinators? Can work only for short-term.
- Very complex issues: requires diverse actors, beyond usual borders.

☞ 2nd question: How to make preparation mechanism successful in terms of employment (saving or creating jobs)?

- Public funding
- Short-run for saving jobs. Long-run requires more than public funds, exploration of win-win situation (example demographic change 2002 people thought about retiring age. Effects ten years later: doubled number of employees over 60.
- R&D budget
- Coordination
- Empowerment
- Flexibility, interdependency, evolutionary approach for better understanding what is happening. Open-minded, structured re-adjustment.
- Future perspectives on how companies will be organized. State government changed attitude compared to past period.
- Co-determination-processes taking place at company level. Which requirements?
- Important circumstances: change perceived as an opportunity.
- Fit for change: try to fit into the changing situation.
- Responsibility: political framework; Smart regions, innovative society.

☞ 3rd question: SMEs in the Anticipation & Preparation process: what specific approach?

- 1) SMEs: tailor-made, network
- 2) Specific access to measures for SMEs
- 3) Make resources available

- 4) Added value of change better understood by SMEs, long-term vision.
- 5) Peer-to-peer / network approach
- 6) Public support
- 7) Different approach for 3-10 employee companies and for 200 workers
- 8) Empowerment