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IN BRIEF

The Green Paper on Labour Law

The European Commission's green paper on labour law, initially expected at the end of May has been finally presented on November 22 in a modified version.

The earlier title "Adapting labour law to ensure flexibility and security for all" has been changed to "Modernising labour law to meet the challenges of the 21st century". The changes reflect criticism from employer's associations and some members states such as Sweden and UK who found that the draft anticipated too much the results of the consultation. The final document is considered as more balanced.

The aim of this green paper is to launch a public debate and propose options for remodelling the employment relationship to meet Lisbon strategy's targets and bridge the gap between the existing legal framework and the realities of the world of work.

The Green Paper debate will help to identify key challenges which have not yielded an adequate response yet.

The consultation seeks views on 14 specific questions essentially dealing with the concept of "flexicurity"; flexible and inclusive labour markets; employment transitions; a life-cycle approach to work; temporary agency work; working time; mobility of workers; and undeclared work.

The paper opens a four-month public consultation which will end in March 2007. It will be followed by a Commission Communication on flexicurity in June 2007. The Commission wishes to define a set of common principles on flexicurity by the end of 2007.

CEC will consult its members and prepare a contribution for January 2007.

More info:

http://ec.europa.eu/employment_social/emplweb/news/news_en.cfm?id=189

<http://www.euractiv.com/en/socialeurope/labour-law-green-paper-reworked/article-159899>

Social dialogue plays an increasing role in European workplace

The *2006 Industrial Relations in Europe report* states that high quality industrial relations make a significant contribution to economic performance, from company-level to the economy as a whole. This European Commission document shows that co-operation between employers and trade unions plays an increasing role in the European workplace and can help to create the right conditions for strong growth.

Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities, says that there is more and more cooperation between European employers and trade unions which bring concrete results for working people across the EU.

Indeed, recent European agreements have been negotiated on telework and stress at work and are being implemented by the social partners in the Member States. Strong cooperation between the European and national level will be indispensable to ensure their implementation on the ground. Sectoral social dialogue is also growing; 33 sectors have established social dialogue committees at European level.

The report finds that there is a tendency to decentralise bargaining to company level in the Member States.

The context for social dialogue is also changing. Trade union membership has declined from 32% in 1995 to 25% in 2004 but varies between 8% and 80% among Member States. The report also states that **"White collar unions are expanding as professional and managerial staff are now better organised than any other occupational group"**.

Workplace representation has become part of the European industrial relations model. Depending on the Member State, between 22% and 85% of employees are represented by a trade union and/or a works council at company level.

More info :

http://ec.europa.eu/employment_social/social_dialogue/reports_en.htm

SUMMARY:

- IN BRIEF:

- *The Green Paper on Labour Law*
- *Social dialogue plays an increasing role in European workplace*

- EUROPEAN AFFAIRS:

- *Setback for the EU portability Directive imminent ?*

- SOCIAL AGENDA:

- *CEC answer to the consultation on reconciliation of professional, private and family life*

- MEMBERS' ACTIVITIES:

- *Spanish and French Managers of Renault debate in Spain the problems of the automobile industry*
- *Participation of Mr Georges Liarokapis in the Fall Conference of Managers' Association of Slovenia, October 5-6, 2006 in Maribor*

EUROPEAN AFFAIRS SETBACK FOR THE EU PORTABILITY DIRECTIVE IMMINENT?

The Directive proposal on improving the portability of supplementary pensions rights ('portability directive'), one of the Commission's main projects for promoting the mobility of workers might only be realised in a much less ambitious version than originally planned.

According to recent information from the European Council's working group on these issues the Member States have agreed on a minimum compromise. Their proposals - if ultimately adopted - would fall very much short of the original plans.

The European Commission's intention was to define minimum standards for the acquisition and protection of supplementary pension rights, not only for movements between Member States but for all employments and for all employment changes within the EU.

The Commission's proposal from November 2005 received both applause and criticism. On the one hand, a reduction of unnecessary barriers to mobility is a key issue for a functioning internal market. The European Parliament, according to the draft report from the Committee on Employment and Social affairs, supports this approach. In spite of numerous proposals for changes - it seems to be willing to go even further than the Commission.

However, on the other hand, employers' organisations, lobby-organisations of the providers of supplementary pension schemes and some Member States like Germany and the Netherlands accused the Commission of choosing

a too orthodox approach that would ultimately lead to counterproductive results in many instances.

The key issues are:

- Shall there be a guaranteed right to transfer vested pension rights? The most vocal criticism against a strict portability rights came from countries in which pensions are partially based on book-reserves (Germany) or unfunded (pay-as-you-go systems in the public sector of some EU member states). Both types of systems could face serious liquidity problems in case of an unlimited portability. Nevertheless, both the Commission and (most likely) a majority in the European Parliament favour a portability right. The Council, on the other hand, seems to be willing to delete this clause completely from the draft directive.

- Vesting and waiting periods: Currently there are no uniform standards for waiting and vesting periods for pension rights. Depending on the financing (employer financed systems, employee financed systems) and on the interdependencies between the public pensions and the supplementary pension schemes these periods can be very long or very short. Commission and Parliament therefore favoured two years as the maximum vesting period and a waiting period of no more than one year before an employee who has reached the minimum age has to be included into a supplementary pension scheme. The Council seems to be more willing to hear the employers' criticism who fear disproportionate cost-increases. The Council's preference therefore will most likely be a maximum of years and a minimum age of 25 (instead of 21) for the acquisition of pension

rights.

Conclusion:

For mobile workers and managers who change employment (and their state of residence frequently) the setback is certainly a big disappointment.

However, in the past social progress on the EU level has always been made incrementally, in small steps. Therefore even a slimmed-down version of the original proposal should not be viewed as a complete failure.

Beyond that, it has to be asked whether the overly ambitious approach to this very delicate issue - especially the way well-argued criticism was dealt with - was very helpful for the interests of mobile workers.

On the one hand, the EU definitely has the right to define minimum social standards. This is also perfectly compatible with the idea of a European Social Model. On the other hand, a forced harmonisation of social policies is still unwanted by a majority of political actors.

Therefore it appears that patience is required. In a longer perspective gradual convergence and thus a decrease of systemic differences between the member states will be inevitable. It can therefore be safely assumed that the directive will not be the last one on supplementary pensions.

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More info:

http://ec.europa.eu/employment_social/

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CEC ANSWER TO THE CONSULTATION ON RECONCILIATION OF PROFESSIONAL, PRIVATE AND FAMILY LIFE

SOCIAL AGENDA

The European Commission has launched the first stage of consultation of management and labour on the issue of reconciliation of professional, private and family life, following the procedure laid down in Article 138 of the EC Treaty.

Here is a summary of the CEC position on this topic:

CEC recognizes that reconciliation of work and family life is one of the major topics on the European social agenda and is specially relevant for executives and managerial staff.

Studies have shown that low fertility rate can be explained in part by obstacles to private choices including the lack of work-private life balance. Thus it is crucial for the sustainability of our social protection systems and of the whole European Social Model to create the conditions that allow Europeans to have as many children as they wish to have.

In the future, ageing economies will face increasing difficulties in maintaining their competitive edge due to a declining number of highly qualified employees. Without a high labour force participation of women, the European economies would deprive themselves from an important source of future growth and technological innovations.

The European Union appears as a natural forum for discussion on this topic.

However, for the CEC, the most adequate scope to tackle reconciliation policies at the EU level is the open method of coordination (OMC), or other comparable instruments of "soft law".

Indeed the diversity among Member States excludes a unique solution. Moreover, social partners must be involved in all employment-related aspects of reconciling family life and professional life.

The EU legislation should be, from the CEC's perspective only limited to a reasonable

scope such as the definition of minimum rights necessary for a gender-balanced work-life-equilibrium.

Measures beyond this level, should be left to the member states (or in some instance to the regional level).

CEC believes that effective measures in the field of family and professional reconciliation can be adopted at company or sectoral level by the negotiation between workers representatives and employers because the effects are very much related to individual situation.

CEC wants to stress that the framework of actions on gender equality negotiated by the European social partners is a good tool. Therefore, efforts should be made at EU level to allow a better information and implementation at national level and in the companies of those existing tools rather than creating new ones.

The issues of working time and flexible working arrangements are very crucial ones especially for managerial staff. Indeed, the issue of availability is a key issue for the access of women to managerial posts and their career path. Thus CEC recommends to launch raising awareness activities to break stereotypes on men and women in management. Both men and women should have the possibility to organize their work with different flexible working time patterns.

Information technologies can be very helpful in reconciliation policies. The European Framework agreement on telework signed by the European social partners is a good tool and can allow a wider spread of this practice.

The issue of availability and affordability of care facilities for children, elderly and other dependents is the precondition for women participation in the labour market.

Incentives should be given at national and local level to provide childminding possi-

bilities and other services for couples in companies.

Leave, including paternity leave and leave to care for an elderly parent or a child or other family member with a disability should also be possible without causing any negative consequences on the career and should be shared equally between women and men.

Specific solutions have to be developed by the social partners at the sectoral and company level.

CEC thinks the existing legislation is adequate, however still too few fathers take a parental leave. There are still a number of stereotypes in society and in business about women, mothers and family burden.

Thus CEC recommends to launch information campaigns to inform workers about their rights and to raise awareness of management on gender issues and not speak only about the "problems of women".

CEC also thinks it is indispensable to have further and up to date statistical data and surveys on women in management. It would allow to have precise data on the rate of women on decision-making positions and its evolution.

CEC is convinced that there is a business benefit for companies to adopt a gender programme and to pay more attention to work life balance: The diversity of the workforce also at management level enhances the quality of the management and of the work environment and thus productivity.

Moreover, there will be a shortage of qualified labour and companies will have to take in women at the management level.

Finally, the main objective is staff retention. The biggest cost in not being family-friendly is the loss of staff. It also creates a positive corporate image and increases the motivation and loyalty of staff.



RECONCILIATION
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SPANISH AND FRENCH MANAGERS OF RENAULT DEBATE IN SPAIN THE PROBLEMS OF THE AUTOMOBILE INDUSTRY

The situation in the automobile industry and its incidence on the group of Managerial Staff and Professionals, was debated in Valladolid (Spain) in September, by the Managers' Union of Renault (SICUR) which belongs to the Federation of Metallurgy of the Spanish Confederation of Executives and Professionals (CCP) and by the French union organization CFE-CGC of Renault.

The General Delegate of SICUR of Renault Spain and President of the Metallurgy Federation of CCP, José Luís González, talked about the problem of the relocation and the desindustrialization of the Western countries in Europe, in favour of Eastern countries or Asia. To solve this serious problem he suggested to look for alternatives and to combine efforts, besides calling for the local, national and European governments' help to maintain the jobs and promote added value and technological issues in the production of vehicles in Western Europe in general, and in Spain in particular. José Luís González emphasized the importance of investigation, product development and innovation, that allows the manufacturing of attractive automobiles to face the outside competition.

Gérard Blondel, General Delegate of the CFE-CGC in Renault France, together with other members of this union organization, emphasized the evolution and growth of the union in this company, being the second trade union force now. He also emphasized the importance of joint work in order to maintain the competitiveness in the different firms.

On the other hand the President of the CFE-CGC Federation of Metallurgy (France), Sly Gabriel, pointed out the importance of settling down a work programme and joint strategies between the French and Spanish metallurgy federations, in their different sectors, like the iron and steel industry, the automobile and the aeronautic industry. He also recalled the necessity to combine efforts to promote solutions against the loss of jobs in these sectors.

This day was a success in terms of attendance, with the participation of an important group of Spanish professionals and executives of Renault from Spain and France. At the political level, the local authorities were represented by the second Vice-president and Counsellor for Economy and Employment of Castilla-León, Tomás Villanueva.

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PARTICIPATION OF MR. GEORGES LIAROKAPIS IN FALL CONFERENCE OF MANAGERS' ASSOCIATION OF SLOVENIA, ON OCTOBER 5-6, 2006 IN MARIBOR

This fall, MAS organised a conference that focused on two topics: managing business risks and innovation. 250 participants had the great opportunity to share their point of view with over sixteen guests, whose main challenge was to present their professional experiences and opinions.

First day's theme, managing business risks, was introduced by Andrej Vizjak, Minister for Economy of the Republic of Slovenia. His speech on the role of the State on managing business risks was followed by a presentation of Philippe Liszewski (Coface Group) who analysed the business risks in different countries and sectors and outlined the future trends. Important Slovene managers (Mag. Žiga Debeljak - Mercator, Klara Stanič - Coface Slovenija, Sebastijan Piskar - MIK Slovenija), their academic colleagues (Dr. Borut Bratina - Faculty of Economics and Business, Dr. Peter Groznik - Faculty of Economics) and lawyers (Ana Stanič - Skadden Arps Slate Meagher & Flom) joined the round table on the Management of financial and legal unknowns and shared their expertise.

The evening programme continued with a gala dinner and the award ceremony of the Manager of the year. Georges Liarokapis, CEC president, expressed its pleasure for participating in this event and said that economic development of Slovenia in the European Union is not to be questioned upon. The Manager of the year 2006 was awarded to Jože Colarič, CEO of Krka - one of the top generic pharmaceutical companies in Europe.

The second day was dedicated to the challenge: How to capture innovation? European Commissioner for Science and Research, Dr. Janez Potočnik emphasised that Europe needs innovation but also that innovation needs Europe. Dr. Hugo P. Tschirky, Director of ETH - Centre for science in companies and professor at the Swiss institute for technology, presented the following dilemma is innovation a lucky coincidence or a planned consequence? Georges Liarokapis, President of CEC, also joined the round table concerning innovation, in which he shared his experience in L'Oreal with other participants: Dr. Janez Potočnik, European Commissioner for Science and Research, Franjo Bobinac, President of MAS and CEO of Gorenje, Violeta Bulc, CEO of Vibacom, Tatjana Fink, CEO of Trimco, and Dr. Hugo P. Tschirky. The moderator was Sonja Šmuc - Managing Director of MAS.

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CEC WISHES YOU A SUCCESSFUL HAPPY NEW YEAR 2007 !



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ABOUT CEC

The CEC represents over 1 million executives and managerial staff in Europe organised into national federations and European branch federations. Since the end of the 1980s, the CEC contributes, as a social partner, to the European social dialogue. The CEC has made the task of defending the managers' specific interests its own, while maintaining dialogue with other parties.

CEC is consulted by the European Commission on all initiatives in the field of employment and social affairs (articles 138 and 139 EC Treaty). It is also part of the employees delegation in the negotiation with the employers' organisations at European level.

The CEC promotes a European integration clearly in favour of the principle of performance and competition, but also the social market economy and a value-oriented way of conducting business, since the respect of social obligations is an added value for economy in the long run.