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an answer to the Crisis
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EDITORIAL

Dear reader,

We are facing rough times, when nothing seems certain. This is what the results of the first CEC European survey assessing managers' view on the crisis show (p 2). However, managers are motivators. In the midst of a global crisis they can convince society about the right decisions to take.

But how can we prevent that such a financial shockwave ever hits us again? So far the reactions have been short-term financial aid so as to find a quick way out of the crisis. These solutions have to be questioned as every Euro or Dollar spent today to curb the crisis, will eventually have to be paid back by us or by our children.

Managers must look for sustainable solutions, thus we need a strong Europe now more than ever. The Euro currency had positive effects on the crisis by avoiding worse aftermath. If the EU had managed to convince the rest of the world to implement the Basel II rules*, we would not even have a crisis at all. We must establish a worldwide control of financial markets with no exception and effective sanctions.

What is even more important is to prevent a fallback into protectionism. Too many countries and their politicians have taken purely national measures. It is a reflex which we must learn to overcome. A global crisis needs joint action by as many countries as possible. If the devel-

oped nations decide to protect their own citizens only, we will witness a loss in the less developed countries. We must defend the achievements of free trade and exchange of goods and services as well as the European Social model as a compromise between free markets and the people's protection. These are values worth to work upon together.

In this issue of our Newsletter, you will find several articles analysing the effects of the crisis - a sectoral outlook is offered by FECEC in the banking business (p 7). In Norway, Lederne shares the hopes of Stig Hjerkin Haug who sees possible opportunities in the unfold of the crisis (p 5).



Finding opportunities and solutions to face the crisis, this is also the aim of the next CEC Triennial Congress which will be held in Brussels in June 2009 (p 3). The idea is to have a real debate and define 10 main themes with practical examples of how to stimulate creativity and innovation. We welcome you to come and share your experience and ideas on this occasion!

* Initially published in June 2004, Basel II is the second of the Basel Accords, which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision. The European Union has already implemented the Accord via the EU Capital Requirements Directives. Other jurisdictions around the world also plan to implement it, but with widely varying timelines and use of the varying methodologies being restricted.



CEC SURVEY ON THE FINANCIAL CRISIS

European managers increasingly concerned about job security - strong consensus on the necessity of a better coordination of supervisory agencies

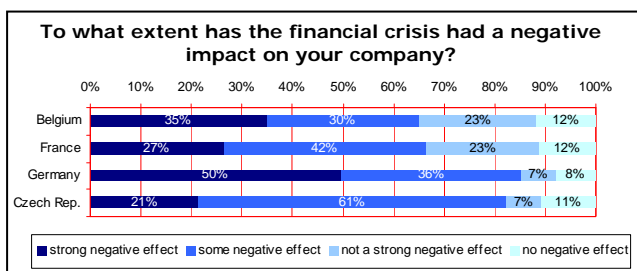
Since the beginning of the financial crisis, the fear of losing jobs has increased significantly among managers throughout the European Union (EU). However, notable differences appear in the degree of concern in each Member States.

A majority of managers expects the EU to push more strongly for a European-wide supervision of financial institutions and for a closer cooperation between national supervisory agencies.

These are the main results a European-wide online survey CEC European Managers has been conducting among its members.

About 90% out of the 358 participants came from four specific EU Member States: France, Germany, Belgium and the Czech Republic. Therefore it was not possible to draw valid and representative conclusions for the views of managers in the EU as a whole. However, cross-national comparisons among these four countries reveal interesting differences.

The German participants have the strongest feeling of being negatively affected by the financial crisis.



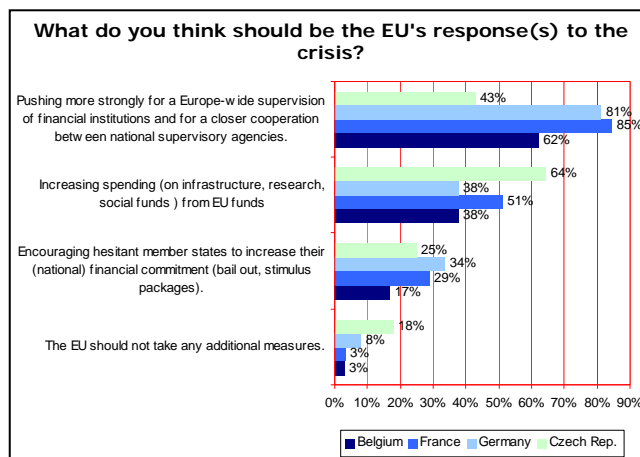
Participants from Belgium and France are more concerned about the security of their jobs: 59% "very worried" or "somewhat worried" in Belgium, 57% in France compared to 46% in Germany and 28% in the Czech Republic.

Belgium also has the highest percentage of managers who report that the fear of losing their jobs has increased within the last year: 54% compared to 44% in France, 33% in Germany and 18% in the Czech Republic.

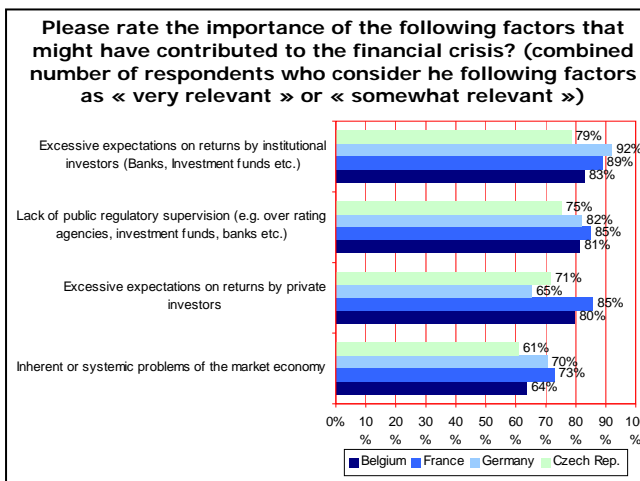
As interesting as these results appear, they should not be over-interpreted. The branch in which respondents work - and which was not specified - might also play a major role in the results.

With regards to the political reactions expected from the EU, respondents from the EU-15 states tend to favour a

better coordination of the supervision of financial markets over higher spending. The Czech managers answered contrariwise. The latter are especially more reserved when it comes to the idea of coordinating work by supervisory agencies. Beyond that, answers from the four Members States are quite similar.



As for the presumed political and economic causes for the financial crisis there is a high consensus among managers in all four Member States (see graph below) ●



For CEC, Andreas Zimmerman
To view full results, please contact CEC: info@cec-managers.org





CEC TRIENNIAL CONGRESS 2009

CEC is organising its triennial Congress on 4 & 5 June 2009 on the theme: **"The Role of Social Partners to Stimulate Creativity and Innovation – An Answer to the Economic Crisis"**.

A public part of the Congress will be held on 4 June 2009 at the European Parliament, with a special presentation entitled "Wake-up call for European Management: it's Innovation Time!" by Dr. Hugo Tschirky, Professor of Innovation and Technology Management at ETH Zurich Institute. This will be followed by a working session in the afternoon to bring ten ideas to stimulate creativity and innovation.

Objectives:

Europe can only cope with global competitiveness through innovation and creativity. European research has a high level. Public authorities spend large sums of money to encourage innovation. European companies wish to be more innovative but obstacles to innovation remain while not being clearly identified. Executives, managerial staff and

other professionals recognise that being innovative and creative are quality criteria for career development, stress resistance and to remain employable in the long term. The CEC seeks answers to the following questions:

- Are the European funds for the Lisbon strategy used in the most effective way?
- What is lacking to Europe for becoming as innovative as Japan?
- Is there any particular state of mind for innovation?
- What are the advantages and disadvantages of Europe in this regard?
- How does one become creative? ●

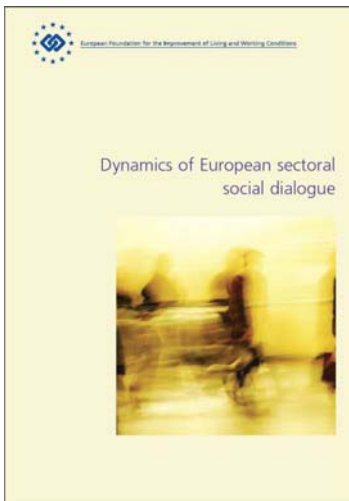
Information & invitation available on request: info@cec-managers.org

EXTRAORDINARY LIAISON FORUM On the Review of European sectoral social dialogue

Since 1998, the European sectoral social dialogue has developed rapidly, with a current number of 36 committees and several sectors calling for the creation of new ones. Sectoral social dialogue produces outcomes of practical importance. Beyond the European social regulations that the social partners help to elaborate through their consultation or the implementation of their common agreements, the European social dialogue has developed many tools of soft law (more than 300 documents). In addition, the European sectoral social dialogue has provided a permanent framework for discussion which enables the social partners to address issues of common interest. These developments have triggered the dynamic of the European sectoral social dialogue for 10 years. Over 70 million workers and nearly six million undertakings are covered by the decisions, declarations and agreements of the European social partners. The Commission supports the setting up of social dialogue committees gathering all relevant players in a given sector with the aim of extending their coverage of the economy.

The Commission Communication "Adapting and promoting the social dialogue at Community level", of 20 May 1998 and Commission Decision 98/500/EC annexed to it, lay down the provisions concerning the establishment, representativeness and operation of new sectoral committees, intended as central bodies for consultation, joint initiatives and negotiation. Based on this Communication the Commission supports the creation of new committees whenever

the conditions, enacted by this Decision, are met: structured and representative players at European level having ability to negotiate agreements and willingness to undertake structural social dialogue.



The Commission is currently under the process of assessing the work of the European sectoral social dialogue committees during the 10 years 1998-2008 with a view to propose practical improvements and procedural changes to the functioning of the European sectoral social dialogue committees which could require a revision of the Commission decision of 20 May 1998 as appropriate. The Forum thus contributes to the ongoing assessment by further informing the Commission on social partner's views, expectations and recommendations on the functioning of European sectoral social dialogue and the policy options for its further improvement

On the occasion of the Forum, a brochure entitled "Dynamics of European sectoral social dialogue" has been edited by the European Foundation for the Improvement of Living and Working Conditions. This report gives an overview of the current state of play regarding European sectoral social dialogue ●

For further information on the European sectoral social dialogue, please check: <http://ec.europa.eu/socialdialogue>. To download the full report « Dynamics of European sectoral social dialogue », follow the link: <http://www.eurofound.europa.eu/publications/htmlfiles/ef0898.htm>.



INDUSTRIAL RELATIONS IN EUROPE

Every two years the Commission produces a report on Industrial Relations in Europe. The 2008 edition of this report has been published in January 2009. Furthermore a special conference was organised on 4 & 5 March 2009 so as to present the report to social partners, academics and representatives of the Member States and to discuss the main issues arising from the report.

Around 150 participants attended the conference, which was held in Brussels. Four working sessions were organised to tackle the different aspects of the report: "Industrial relations and the Lisbon strategy", "Promoting good industrial relations: the added value of European social dialogue", "Industrial relations outcomes: wage bargaining, competitiveness and cohesion", and "The challenge of organisation capacity for high quality industrial relations in Europe". The final session was a panel discussion addressing the crisis context.

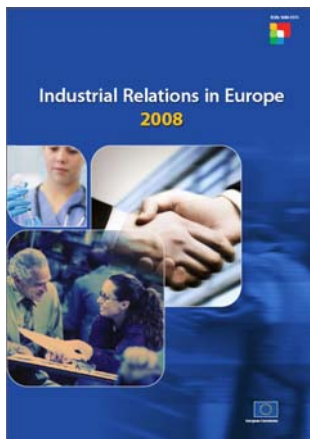
Following conclusions were mentioned in the report. The contribution of the social partners to achieving the Lisbon agenda is particularly important for reaching the employment targets and implementing the flexicurity agenda. The involvement of social partners in policymaking and policy implementation varies widely across Member States, but generally there is a trend towards the use of a wider mix of instruments to pursue policy objectives. Nevertheless, the quality of the social and institutional support that social partners enjoy is probably the major determinant of the quality of the social partners' contribution to the Lisbon Strategy.

Collective bargaining and wage determination are anchored in national customs and practices. Despite the increasing weakness of wage bargaining actors, with declines in trade

union density in particular, wage bargaining institutions have remained relatively unchanged in recent years. There are wide disparities across the EU. However, the degree of employers' density seems to be the principal factor determining bargaining coverage. Wage bargaining institutions seem to have a small but positive effect on economic performance, but not on wage inequality, where it is trade union density which produces a statistically significant result. A rise in trade union density is associated with a fall in wage inequality. High bargaining coverage rates appear to lead to lower proportions of in-work poor, other things being equal.

At European level, the social partners are delivering on their commitments. They concluded agreements on violence and harassment and on maritime labour standards, and made valuable contributions to employment and social policymaking. The sectoral coverage of European social dialogue continues to increase. Social partners know the world of work best, and they contribute to better governance by following-up joint commitments and recommendations on the ground. First evidence of implementation of European social dialogue texts, in particular of the first cross-industry autonomous agreement on telework, shows that they make a difference. Furthermore, there has been considerable activity in the field of European legislation in the period since the last Industrial Relations in Europe report, including labour law ●

You can download the full report on the following link: <http://ec.europa.eu/social/main.jsp?catId=575&langId=en>



OSHA CAMPAIGN

On March 17th, 2009 CEC participated in the EU partnership meeting organised by the European Agency of Safety and Health at Work (OSHA). OSHA acts as a catalyst for developing and disseminating information to improve Europe's occupational safety and health. By bringing together representatives from governments, employers' and workers' organisations, as well as leading occupational safety and health experts in each of the EU-27 Member States and beyond, the agency provides a reliable source of occupational safety and health information. This specific meeting presented the "Healthy Workplaces" campaign, which is a two-year European campaign promoting an integrated management approach to risk assessment.

The campaign is open to all organisations and individuals at local, national and European level ●



For further information, check the agency's website: <http://hw.osha.europa.eu>.

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CRISIS = OPPORTUNITIES

In times of crisis, companies and individuals are pushed into a corner. Crises however, can provide opportunities for fresh thinking, great personal climbs and an explosion of creativity.

Stig Hjerkin Haug tells Lederne in Norway how businesses and individuals can become stronger by the crisis we now see unfold. He has published books and is the founder of several companies on practical creativity. When he talks about creativity, he is like a bubbling volcano - arms gesturing, eyes glowing and hair fluttering. His self-taught knowledge has made him become one of Norway's most widely valued speakers for companies that want to develop new and better ideas. Although the financial crisis can be grim, he insists past crises have proven to be catalysts for new growth. Losing your job can be very heavy. At the same time, this is when many make their biggest career leaps. We see opportunities we didn't see while living a safe and protected



life. It is sad that we need crises before we start thinking differently, but when it comes, it is important to turn it into something positive, he says.

Think of Apple, which now has huge success with the iPod, iTunes, iPhone and Mac. When they were near bankrupt they were forced to take chances, focus on good ideas and allow creativity. The result is a company that invents while competitors copy, and which therefore earns loads of money.

Stig Hjerkin Haug ends every speech by making Nordahl Grieg's words his own: "You shall regret to your death all that you did not do." The financial crisis means that many companies and individuals now need to put to life ideas that would otherwise be rejected. This will be the greatest positive effect of the sorry affair that we now find ourselves in ●

For Lederne, Sverre Simen Hov



A "CABINA DI REGIA" FOR INDUSTRIAL DEVELOPMENT IN LATIUM SUPPORTED BY FEDERMANAGER AND FECC

Paolo Cannavò, President of FECC states: «In Italy, in the region of Latium, the "Cabina di regia" (steering committee) for industrial development created by Federmanager, companies and the institutions, develops the European social dialogue, especially in the infrastructure and construction sectors.»

European Managers of the infrastructure construction sector are needed to manage and implement outstanding projects financed by important national investments so as to face the current financial crisis. Conscious of this responsibility, they intend to contribute personally to this strategy of boost of the economy.

In region of Latium, in Italy; the start-up of a "Cabina di Regia" (steering committee) – promoted by the president of the Industrial Managers Union (SRDAI / FEDERMANAGER), Stefano Cuzzilla, and supported by the president of

the Union of Industries in Rome, Aurelio Regina – is imminent. The Committee, including managers, companies and institutions, will be aimed at promoting common and innovative measures to overcome the crisis in the regional industry sector. This Committee is a positive sign and an international example that everyone can and should follow.»

The president of the FECC, Paolo Cannavò, thinks indeed that all these actions have a double purpose: first, to encourage European social dialogue and second, to remain consistent with the spirit of 2009: the European year of creativity and innovation ●

Press release from FECC, 23 March 2009

For further information, contact FECC by mail: contact@cgcbtp.com



MPA ANNUAL GENERAL MEETING

On April 6th 2009, MPA held its Annual General Meeting in London at the Congress House of the UK Trade Union Congress (TUC).

A presentation was given by Helen Nadin, a TUC pensions' specialist. The Executive Council also reported back on the MATRI conference held on January 27th by CEC in Brussels (see our last issue n°60) ●





GENESIS OF A EUROPEAN SOCIETY

The European federation eTIC-CEC has just signed an agreement with UNIBAIL RODAMCO to create the 1st European Company (SE) at the CAC40*. The social consistency of the whole architecture is built around a European Work Council (EWC) with 14 employee representatives.

In 14 European countries, the Group's main activity is Shopping Centre management. In France, on top of that, management of Office Premises and Show/Exhibition Centres. Around 50% of the Group's headcount are based in France. The new European legal entity is therefore located in France, under French statutes. The new SE gathers the 316 companies in the Group.

The eTIC-CEC representative at the Special Negotiation Body (SNB) is also co-nominated by FIECI-CGC — the French union our rep belongs to.

The negotiations did not start the right way — enforced negotiations in only 3 consecutive days, delivery expectation imposed by the Management, lack of a real dialogue and exchange state of mind. No surprise! The document was not acceptable for us and we did not sign its initial version.

To get out of this deadlock, our approach:

- Identify and highlight the questionable aspects of the negotiation process and the resulting document
- Reject a judicial action option, but leverage a French and governmental institution: "l'inspection du travail", some-

how seen as the social-focused police...

- Sustain the dialogue with the Group Management
- Bring new compromise propositions
- Ultimately, a motion modifying the initial document, which we can sign now. That is a success for eTIC-CEC. UNIBAIL RODAMCO is the first SE implemented by our European federation.

Some lessons to learn for the next negotiations:

- Anticipate: very early upfront, training on the EWC and SE is essential. So that our future CEC negotiators are efficient — CFE-CGC, French organisation member of CEC, offers such trainings. A perfecting training can be requested at beginning of the negotiation, and funded by the company
- Prepare: provide the negotiator with legal- and contextual-related information — the European directives, their national transposition, agreement examples issued from other companies, etc
- Coach: lead the negotiator, analyse progress and difficulties, and more importantly enforce his/her request for an Expert funded by the company
- Follow-up: provide assistance for the new European instance deployment — the agreement rules, the elections, facilitate new responsibilities for our negotiators, such as Secretary, encourage Dialogue with the Management ●

* CAC40 : top 40 companies at French stock exchange

For more details, feel free to contact: Eric Pigal – Secretary General of eTIC-CEC, secretary-general@ETIC-managers.eu



NEGOTIATIONS IN POLAND

Fiasco of salaries' negotiation leading to strike referendum

On March 19th, 2009 negotiations on salaries held at Kompania Węglowa S.A by representative trade unions including KADRA ended without results. Kompania Węglowa S.A. is the biggest mining company of the European Union, employing currently 60.000. Under such circumstances the trade unions decided to organise a referendum asking workers if they would support strikes. 40.277 workers took part in the referendum, 91.55% of which (36,972 workers) supported protest and strike actions.

The main claim of the Polish trade unions is that in the mining sector, no agreement on salaries increase could be reached for 2009 while salary conditions were already low. A major risk for workers now, is that the level of employment is not maintained. KADRA considers that the Polish government should not be blocking negotiations and that increase of salaries must not be restricted in the companies

having made profits in the past year. Plans to cut down on salaries and staff are not acceptable. KADRA was appalled to hear that Kompania Węglowa S.A. chose to limit its staff expenditures and did not reduce any other costs in the production plan, while the sales plan is still expected to scale up.

Workers' and employers' representatives have announced their last negotiation to be held on April 2nd, 2009. The workers' side planned their strike actions on April 7th, 2009.

The last agreement was achieved during the negotiation on April 2nd, 2009. The part of KADRA's demands on salaries was accepted. KADRA reckons that salaries in the mining sector in Poland are around three times lower than those in Great Britain or Germany, and about 2.5 times lower than in Sweden or Spain ●

For more details, feel free to contact KADRA: kadra@kadra.org.pl





FECEC BIENNIAL MEETING TO ANALYSE THE EVOLUTION OF THE CRISIS IN EUROPEAN BANKS

The Committee of the European Federation of Credit Establishments' Managerial Staff (FECEC) held its biannual meeting on March 2nd in Brussels and analysed the evolution of the crisis in European banks.

Asset-backed securities were first created by financiers, who were disconnected from the real economy. They were then sold by international traders with the support of the banks' managerial staff, who chose to give in to immediate profit benefiting from the positive trend of the economy in the years 2000's.

The sudden fall in value of these financial products, so-called exotic, which had been accepted by European banking institutions, has especially affected the European Central Bank, which could not recover all of its loans, displaying a default of over one billion euros.

These events have led to the intervention of some European governments and brought international markets to collapse, thus affecting the European economy.

This first important crisis of the 21st century, both economical and social, with massive job losses, could have at least one benefit: to have us learn for the future.

An international regulation is needed. It should rely on a new monetary order so as to control international liquidity, to abolish tax havens and to end dumping appearing, especially, through exchange rates' fluctuation. FMI could be the chosen structure, thus receiving increased intervention power.

Europe, through the European Central Bank, should become the watchdog of that new order and acquire budgetary and monetary levers so as to better regulate. FECEC bases most of its hopes in the G20 summit, which could be the driving force of this regulation and could strengthen controls of national financial systems.

Finally, FECEC wants Trade Unions to be associated to national control organizations for banks and financial establishments as well as to take part in enterprises "governance" through their presence on the Steering Committees ●



NEW BOARD OF DIRECTORS IN GREECE

The new Board of Directors of the Association of Chief Executive Officers (ACEO) was elected at the annual General Assembly of the Association that took place on March 5th, 2009 in Athens.

The General Assembly was opened by the CEC European Managers President, Mr. Georges Liarokapis, who raised the topic of the current economic crisis and its impact on the European economy. Also he referred to the CEC Quality Criteria for Managers and emphasized the importance of CEC to have membership in Greece.

The new Board of Directors comprises the following members of ACEO:

- CHAIRMAN: Michalis Pagidas, SARACAKIS BROS

- DEPUTY CHAIRMAN: Polychronis Griveas, ASTIR PALAS VOULIAGMENI
- GENERAL SECRETARY: Maria Dimou-Lampadari, IONIA
- TREASURER: Nikolaos Kammenos, ATE KARTA
- MEMBERS: Nikitas Konstantellos, ICAP GROUP
- Spyros Olympios, TOYOTA MATERIAL HANDLING GREECE
- Giannis Skeparnias, G.K. ELEFThEROUDAKIS

Mr. Michalis Pagidas, ACEO Chairman, stated: "The basic aim of the new BoD is to strengthen the role of ACEO as the only organization that expresses and represents the top managers in Greece. ACEO is committed to contribute to the continuous improvement of the level of top management and to make good use of the knowledge and the experience of its members for the benefit of Greek economy" ●



THE MUTUAL ASSISTANCE AGREEMENT

Any person affiliated to a CEC member organisation may benefit from the expertise of other member organisations through the Mutual Assistance Agreement.

In a context of increased mobility, within which managers are more and more sent abroad, CEC provides its individual members the possibility of getting professional advice as well as first assistance from CEC national organisations abroad.

Through this agreement, the manager member of CEC can:

- Collect information on working conditions and labour legislation in force in the host country;
- Get advice before establishing a working relationship;
- Get advice to manage conflicts arising from an employment relationship.

To be connected with the member organisation of CEC in the host country, the individual must contact the organisation to which he is affiliated in his country of origin. National organisations then redirect requests between them*.

Contacts of our member organizations on: www.cec-managers.org ●

* This agreement does legally bind the signatory parts.

NEW BROCHURE ON THE EUROPEAN SOCIAL

The European Commission has just published a new brochure entitled "Introducing European social dialogue".

Available in English German and French, the brochure explains the role and activities of the actors participating in the European social dialogue. CEC European Managers thus appears as one of the six official European social partners ●

To receive the brochure, please contact: info@cec-managers.org.



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ABOUT CEC

The CEC represents 1,5 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.

