RESTRUCTURING AND SOCIAL DIALOGUE IN THE EUROPEAN BANKING SECTOR
STRUCTURE OF THE PRESENTATION

- Objective of the presentation
- Theoretical background
- Methodology of the research
- The drivers and processes of restructuring
- Sectoral social dialogue and restructuring
- Enterprise level dialogue and restructuring
- Conclusions and policy implications
1. **Objective**

The focus of our presentation resides in the better understanding of the role played by social dialogue in the banking sector in Europe in terms of anticipation and management of restructuring on the basis of three EU countries – Luxembourg, France and Romania.
2. THEORETICAL BACKGROUND

- Precarisation of the jobs in the banking sector (Jefferys 2011) - employees have seen their status and job characteristics change considerably since the crisis?
- Strong collective bargaining in the European banking sector, but under pressure in the context of the crisis (Eurofound 2011)
- National or sectoral models of industrial relations (Bechter, Brandl, Meardi 2012)?
- Concrete union strategies at the workplace in case of restructuring - can be shaped both by institutional configurations (such as IR system) and concrete relations between management and labour (Poulignano and Stewart 2013)
3. METHODOLOGY AND DATA

• Comparative European project EUROSOFIN - VS 2013/ 0355 (covering Austria, France, Luxembourg, Romania and the UK)
• Qualitative based methodology
• Desk-research – relevant reports, documents of social partners, collective labour agreements, press
• 30 in-depth interviews (anonymized) based on a common guideline, transcribed and analysed - sectoral unions, sectoral employers, enterprise level unions, HR managers;
• Discussions with the stakeholders at national seminars held in 2014 and during final conference in 2015.
Restructuring – Definition and Context

• Modification of the company workforce, both quantitative (number of jobs) and qualitative (skills, qualifications), following changes in company structure, organization or production processes (European Commission 2008).

• Not a new phenomenon, but there is evidence that its scope and speed have increased in the European Union since the beginning of the financial and economic crisis started in 2008 – 2009.

• Different policies and measures in the European Union members states – in order to mitigate the negative consequences for employees, economies and territories, often as a result of social dialogue.
THE COMPARATIVE EXERCISE – FOCUS AND APPROACH

- Difficulties to compare practices embedded in the history and institutions
- Larger or narrower focus?
- Importance of the elements
- Different path dependency and role of institutions
3. The Importance of the Banking Sector in Europe

- Long term national history – change of ownership, concentration, internationalisation, single market...
- Major employer and contributor to the GDP in Europe but experiencing difficulties...
- Changing employment models and skills...
### FACTS AND FIGURES FOR THE COUNTRIES EXAMINED

<table>
<thead>
<tr>
<th>Processes/Drivers</th>
<th>France</th>
<th>Romania</th>
<th>Luxembourg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes</td>
<td>Permanent change</td>
<td>Privatization in the 1990s</td>
<td>Rapid internationalisation during the 1980s and 1990s</td>
</tr>
<tr>
<td>Processes related</td>
<td>Relatively stable employment, Retiring population in France – a buffer to jobs preservation</td>
<td>Significant employment decrease since 2008 - 2009</td>
<td>Job losses in the banking sector partially compensated by the development of the professionals of the financial services (PSF) and the fund industry and social plans</td>
</tr>
</tbody>
</table>
4. **THE RESTRUCTURING DRIVERS**

- Effects of the crisis
- The (new) regulations
- New technologies and expectations of the banks’ clients
- Outsourcing

Mitsubishi UFJ Financial Group Inc. will trial the device in two branches in Tokyo.
### 5. Impact in the Countries Examined

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Effects of the Crisis</td>
<td>+ (minor impacts)</td>
<td>++ (decrease of the activity)</td>
<td>++some impact of the crisis (e.g. public support)</td>
</tr>
<tr>
<td>New regulations</td>
<td>++ Impacts on current and future restructuring</td>
<td>+ impacts</td>
<td>++ (especially the automatic exchange and the abolition of the banking secrecy and international agreements on taxation)</td>
</tr>
<tr>
<td>New technologies</td>
<td>+++</td>
<td>++ (Romania is benefiting from in-sourcing)</td>
<td>+ (yes, but still a smooth change)</td>
</tr>
<tr>
<td>Outsourcing - insourcing</td>
<td>+ (some outsourcing is taking place)</td>
<td>+ (some outsourcing is taking place)</td>
<td>+++ (strong impact, but no concrete estimations)</td>
</tr>
</tbody>
</table>
SOCIAL DIALOGUE AND INDUSTRIAL RELATIONS IN THE SECTOR

Sectoral Collective Bargaining and Social Dialogue

- Country models of employment relations

- France
- Luxembourg

+ Romania
<table>
<thead>
<tr>
<th>IR DATA FOR THE SECTOR</th>
<th>France</th>
<th>Romania</th>
<th>Luxembourg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade unions</td>
<td>Several unions present, CFDT, CFE CGC, CGT, CGT FO, CFTC</td>
<td>FSAB (Cartel-Alfa)</td>
<td>ALEBA LCGB OGB-L</td>
</tr>
<tr>
<td>Trade union density</td>
<td>9%, higher than the average</td>
<td>About 15% of the employees working in the insurance and banking industry</td>
<td>39% (2011), according to STATEC</td>
</tr>
<tr>
<td>Employers’ organisations</td>
<td>Association Française des Banques (AFB) (Commercial banks) and the Fédération Bancaire Française (FBF - the whole banking sector)</td>
<td>Council of the Banking Employers in Romania (CPBR), since April 2014</td>
<td>ABBL</td>
</tr>
</tbody>
</table>
### IR DATA FOR THE SECTOR - 2

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>Romania</th>
<th>Luxembourg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectoral level dialogue</td>
<td>Yes</td>
<td>No, except skills - institutionalized dialogue in the field of professional training</td>
<td>Yes</td>
</tr>
<tr>
<td>Company level dialogue</td>
<td>Yes, in most banks</td>
<td>Yes, in most banks</td>
<td>Yes, in most banks</td>
</tr>
<tr>
<td>Collective bargaining coverage</td>
<td>98,7% of the employees covered (estimation 2007)</td>
<td>40% of the employees are covered by CLA</td>
<td>100%, extension of the sectoral collective agreement</td>
</tr>
</tbody>
</table>
6. ANTICIPATION AND MANAGEMENT OF RESTRUCTURING: PHASES

- Sectoral level
  - Anticipation
  - Management
  - Addressing the consequences

- Company Level
### SELECTED MEASURES/PRACTICES TO ADDRESS RESTRUCTURING

<table>
<thead>
<tr>
<th>Measures/practices</th>
<th>France</th>
<th>Luxembourg</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipation/sectoral level</td>
<td>Observatory of the professions; CLA for the commercial bank sector</td>
<td>IFBL analysis on future skills</td>
<td>No</td>
</tr>
<tr>
<td>Anticipation/company level</td>
<td>GPEC agreements</td>
<td>The case of the large French bank – <strong>BNP - Paribas</strong></td>
<td>Some company plans that envisage downsize – however the speed of restructuring is high (<strong>BRD</strong>)</td>
</tr>
<tr>
<td>Support to transitions</td>
<td>+++</td>
<td>Some internal measures in the big groups (e.g. BNP-Paribas), projects such as <em>Fit for Finance</em></td>
<td>Rare, e.g. in the case of <strong>BCR Erste</strong></td>
</tr>
</tbody>
</table>
CONCLUSIONS AND POLICY IMPLICATIONS

• The role of social dialogue is crucial for the socially responsible restructuring in countries with developed IR systems (France, Luxembourg), but limited in the case of Romania.

• The restructuring management is embedded in national context, but in some institutional environments transnational transfer could be observed (e.g. BNP Luxembourg, EWC) while in other no (Romania)

• Socially responsible restructuring entails three phases: anticipation of restructuring, management of restructuring and impact management - national examples studied focus on particular phases... we argue here that dealing efficiently with these three phases is important to the success of managing restructuring in a more socially-responsible way.
CONCLUSIONS AND POLICY IMPLICATIONS - 2

- **Reinforcement of anticipation** at sectoral and company level – necessary but not always tangible;
- **Management of restructuring** – importance of the internal mobility and internal labour markets, adaptation of jobs and skills, agreements to support transitions, role of the collective bargaining at both levels, international coordination…;
- **Addressing consequences** – supporting transitions, reintegrating dismissed back to the labour market – issues of responsibilities and roles of stakeholders.
THANKS FOR YOUR ATTENTION

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