

**Committee of the Regions****ECOS-V-057****109th plenary session, 3-4 December 2014****OPINION****EU Quality Framework for anticipation of change and restructuring****THE COMMITTEE OF THE REGIONS**

- points out that the effects of restructuring are clearly felt at regional level. They can influence a region's structural development and its competitiveness in the medium or even long term. In view of this, regional approaches are needed (decentralised policies taking local needs into account and implemented with the involvement of key partners);
- is therefore pleased that the Quality Framework acknowledges the shared responsibility of all stakeholders, including regional authorities. The Committee argues that this is also an issue of concern for local authorities, large cities in particular, which have the main concentrations of employers and play a key role in determining the economic situation of smaller urban centres in their catchment areas;
- stresses the role of LRAs in the use of EU Structural Funds such as the ESF and the ERDF, as well as the European Globalisation Adjustment Fund in relevant regions, to promote job creation and inclusive transitions. Funding for measures relating to the anticipation of change and restructuring should come from several different sources, in order to ensure continuity;
- feels that the most important role for LRAs in restructuring is coordinating all the stakeholders. In practice, permanent coordination structures have proven crucial in ensuring rapid and effective responses at regional level.

Rapporteur

Pavel Branda (CZ/ECR), Deputy Mayor of Rádlo

Reference document

Communication on the EU Quality Framework for anticipation of change and restructuring
COM(2013) 882 final

Opinion of the Committee of the Regions – EU Quality Framework for anticipation of change and restructuring

I. GENERAL COMMENTS

THE COMMITTEE OF THE REGIONS

Relevance to the local and regional level

1. points out that restructuring and structural change are generally seen as an integral part of natural economic development;
2. points out that the effects of restructuring are clearly felt at regional level. They can influence a region's structural development and its competitiveness in the medium or even long term. In view of this, regional approaches are needed (decentralised policies taking local needs into account and implemented with the involvement of key partners)¹;
3. points out that restructuring hits the less developed regions particularly hard, as they usually have a less competitive and innovative industrial fabric and high levels of unemployment, making it necessary to give special attention to this type of region;

An approach involving all key partners

4. is therefore pleased that the Quality Framework acknowledges the shared responsibility of all stakeholders, including regional authorities. The Committee argues that this is also an issue of concern for local authorities, large cities in particular, which have the main concentrations of employers and play a key role in determining the economic situation of smaller urban centres in their catchment areas;
5. notes that shared management is an essential prerequisite for the success of the proposed approaches. The EU, too, should support the strengthening of partnerships between all the important players. The State and regional/local authorities also have a key coordinating role to play, given that employees and employers often have different perspectives on restructuring processes;

¹

See the draft summary of the study by the Eurofound foundation on the Effects of regional restructuring and approaches for dealing with its consequences, presented at a consultation session by the rapporteur with key partners on 30 June 2014 in Brussels.

Link with the objectives of the Europe 2020 strategy

6. feels that in order to successfully implement the Europe 2020 strategy, it is essential in the current socio-economic climate to focus all efforts on boosting employment (creating and maintaining jobs);

Targeted anticipation of change (internal market/requisite skills)

7. attaches great importance to anticipating change and the adaptability of all stakeholders. There are three issues here:
 - completing the EU's internal market and promoting EU employment;
 - helping employees, job seekers and, more broadly, all economic stakeholders to acquire and fine-tune the skills they need throughout their active lives (ability to anticipate change, self-assessment, creativity, autonomy and entrepreneurship);
 - improving working conditions as job insecurity and restructuring can hinder competitiveness;

Role of the EU

8. welcomes Commission-led initiatives such as the European Monitoring Centre on Change (EMCC) or the European Restructuring Monitor (ERM)² and proposes these be further strengthened with, for example, tailor-made consultancy for local and regional authorities in specific situations;
9. also appreciates the focus in Eurofound research activity on the regional consequences of restructuring, thus effectively addressing the lack of information in this field over the last few years;
10. welcomes the fact that the Commission lists in its communication the best practices that it suggests should be adopted on a voluntary basis. It further recommends that the Commission address the calls by the European Parliament and the Committee of the Regions³ to revise the legislative framework on the information and consultation of workers in relation to anticipation and management of restructuring, the shortcomings of which the Commission discusses itself in this communication;

² For example, see the European Foundation for the Improvement of Living and Working Conditions (Eurofound) database on restructuring support instruments, which provides information on measures taken in EU Member States and Norway.

³ See point 12 of the CoR resolution on its political priorities for 2014 based on the legislative and work programme of the European Commission (RESOL-V/009, 29.11.2013) and point 29 of the CoR opinion on CARS 2020 (ECOS-V/039, rapporteur: Mr Buchmann (AT/EPP), 8 October 2013).

11. recommends that the Commission cooperates with all interested stakeholders when evaluating Quality Framework implementation, while ensuring that this process also takes into account existing procedures or agreements between partners in each of the Member States;

Subsidiarity and proportionality principles

12. points out that the Commission's proposed Quality Framework, comprising a set of recommendations and best practices, that the Commission recommends be adopted on a voluntary basis, makes no reference to a specific legal basis in the treaties and constitutes a sui generis legal instrument that is also not explicitly provided for in the treaties. As a result, the Commission's approach does not allow the European Parliament to express a useful position. However, given that the Commission's proposal is within the scope of the competences shared between the EU and the Member States regarding social policy, as set out in Articles 151 and 153 TFEU, and that exchanges of experience and best practices at EU level offer clear added value, the proposal appears to be consistent with the subsidiarity and proportionality principles;

II. POLICY RECOMMENDATIONS

The role of local and regional authorities in anticipating change

Mapping of jobs and skills needs

13. highlights the role that LRAs play in forecasting skills needs and matching them with labour market needs⁴ through measures in the areas of education, training and support for young entrepreneurs in particular. The Member States should be aware of this role and provide LRAs with the right resources to facilitate the transition of young people from education into employment, since local authorities in particular often have a role as service providers in education, training and employment⁵;

Promotion of mobility

14. reiterates the fact that issues such as professional mobility or balancing supply and demand on the labour market at local level have a critical impact on the effectiveness of restructuring mechanisms. Workers' mobility should be fostered through the provision of personalised job-seeking services, work experience and training courses so they can adapt their skill set to the

⁴ In response to the Europe 2020 strategy monitoring platform's survey evaluating the "Agenda for New Skills and Jobs" flagship initiative, the majority of local and regional authorities surveyed felt that the economic crisis had accelerated structural change in labour markets, while increasing unemployment and exacerbating the mismatch between available skills and employers' needs.

⁵ COR-2014-00111 – Opinion on a Quality Framework for Traineeships.

requirements of the labour market⁶. This particularly applies to specific groups facing long-term unemployment (young people, low-skilled workers, older people, migrants and the disabled);

15. for border regions, stresses the importance of promoting true cross-border labour mobility by removing barriers in labour law and social security (eradicating tax barriers, exporting unemployment benefits and making pension rights transferable)⁷. LRAs can also play an important role in the field of advice for commuters using the EURES services or existing cross-border structures⁸;
16. encourages local authorities to cooperate more closely on exchanging information on job opportunities in a given local or regional labour market. Joint action to promote individual mobility and exchange labour market information could boost employment in occupations where there is high demand and a lack of training at local or regional level;

Promotion of regional economic adaptation

17. welcomes the European Commission's communication on a European Industrial Renaissance (COM(2014) 14) presented in January 2014 and invites the Commission to incorporate the anticipation of change and the management of restructuring as active measures to support broader European industrial policy. Structural changes have an impact on industry in regions and cities. We therefore think that any discussion of structural change must also tackle the role of industrial and regional policies in the anticipation of these changes;
18. stresses the role of LRAs in the use of EU Structural Funds such as the ESF and the ERDF, as well as the European Globalisation Adjustment Fund in relevant regions, to promote job creation and inclusive transitions. Funding for measures relating to the anticipation of change and restructuring should come from several different sources, in order to ensure continuity;
19. underlines the importance of research and innovation strategies based on smart specialisation (RIS3) for enabling the changes prioritised by regions. By its very nature, an RIS3 is a process intended to achieve changes to the business environment first and foremost, helping regions to gain access to the best innovation skills and the best partners. The European cooperation emphasised in RIS3 processes adds considerable value to the implementation of structural changes;

⁶ CdR 340/2006 fin – Outlook Opinion of the Committee of the Regions on Success factors for local and regional restructuring strategies.

⁷ CDR1186-2012_00_00_TRA_AC – The role of local and regional authorities in promoting growth and boosting job creation.

⁸ 87% of the replies to the survey on "Mid-term evaluation of the EU 2020 strategy from the perspective of cities and regions" suggested that cross-border relations should be taken into account and that strategies (including target setting) should link regions based on geographical proximity and interconnections.

The role of LRAs in managing restructuring processes

Facilitation of partnerships

20. feels that the most important role for LRAs in restructuring is coordinating all the stakeholders. In practice, permanent coordination structures have proven crucial in ensuring rapid and effective responses at regional level;
21. endorses the EESC's call for closer coordination and cooperation at EU level between Commission policies and services, agencies and the numerous observatories, so that companies that are restructuring receive clear, consistent support in their decision-making. In particular, suitable and specific support and mentoring systems should be available to SMEs and micro businesses to help them with planning ahead for restructuring⁹.

Brussels, 3 December 2014

The President
of the Committee of the Regions

Michel Lebrun

The Secretary-General
of the Committee of the Regions

Jiří Buriánek

⁹ CCMI/102 - CESE 1591/2012 – Restructuring and anticipation of change: what lessons from recent experience?

III. PROCEDURE

Title	EU Quality Framework for anticipation of change and restructuring
Reference(s)	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU Quality Framework for anticipation of change and restructuring COM(2013) 882 final
Legal basis	Article 307(4) TFEU
Procedural basis	Own-initiative opinion – Rule 41 b)i)
Date of Commission letter	16 December 2013
Date of Bureau decision	7 March 2014
Commission responsible	Commission for Economic and Social Policy (ECOS)
Rapporteur	Pavel Branda (CZ/ECR) Deputy Mayor of Rádlo
Analysis	7 April 2014
Discussed in commission	16 May 2014 – 15 September 2014
Date adopted by commission	15 September 2014
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	3 December 2014
Previous Committee opinions	<ul style="list-style-type: none"> – Outlook opinion of the Committee of the Regions on success factors for local and regional restructuring strategies (CdR 340/2006 fin)¹⁰ – Opinion on The role of local and regional authorities in promoting growth and boosting job creation (CDR1186-2012)¹¹ – Opinion on Enhanced cooperation between public employment services (CDR5278-2013)¹² – Revised opinion on EU guidelines on state aid for rescuing and restructuring firms in difficulty (COR-2013-07451)¹³ – Opinion on a Quality Framework for Traineeships (COR-2014-00111)¹⁴
Date of subsidiarity monitoring consultation	n/a

¹⁰ [OJ C 305, 15.12.2007, p. 30.](#)

¹¹ [OJ C 62, 2.3.2013, p. 70.](#)

¹² [OJ C 114, 15.4.2014, p. 85.](#)

¹³ [OJ C 126, 26.4.2014, p. 35.](#)

¹⁴ [OJ C 174, 7.6.2014, p. 36.](#)