



“Textile Innovative Restructuring”

T.I.R.

project n° VS/2007/0517

DG Employment, Social Affairs and Equal Opportunities



Benchmarking: Preventing and managing the crisis

WP 2.2 Workshop in Brussels



Summary

- Purpose of the document
- Introduction to the project
- The socio economic context
- The best practices
- Benchmarking
- A systemic approach: the S.E.C.T.O.R. Model



Purpose of the document

The aim of the benchmarking is

- to analyse and study the socio-economic context and the practices of the involved partners;
- compare the different situations;

in order to find the **best common elements** leading to best practices which **need to be shared** for the validation of a model for preventing and restructuring.

- The building of a benchmarking report means examining expertises, projects, best practices realised by partners up to now.
- It does not need to be all experiences in the textile sector, but relevant experiences in any productive sector can be helpful for the identification of the best practices.



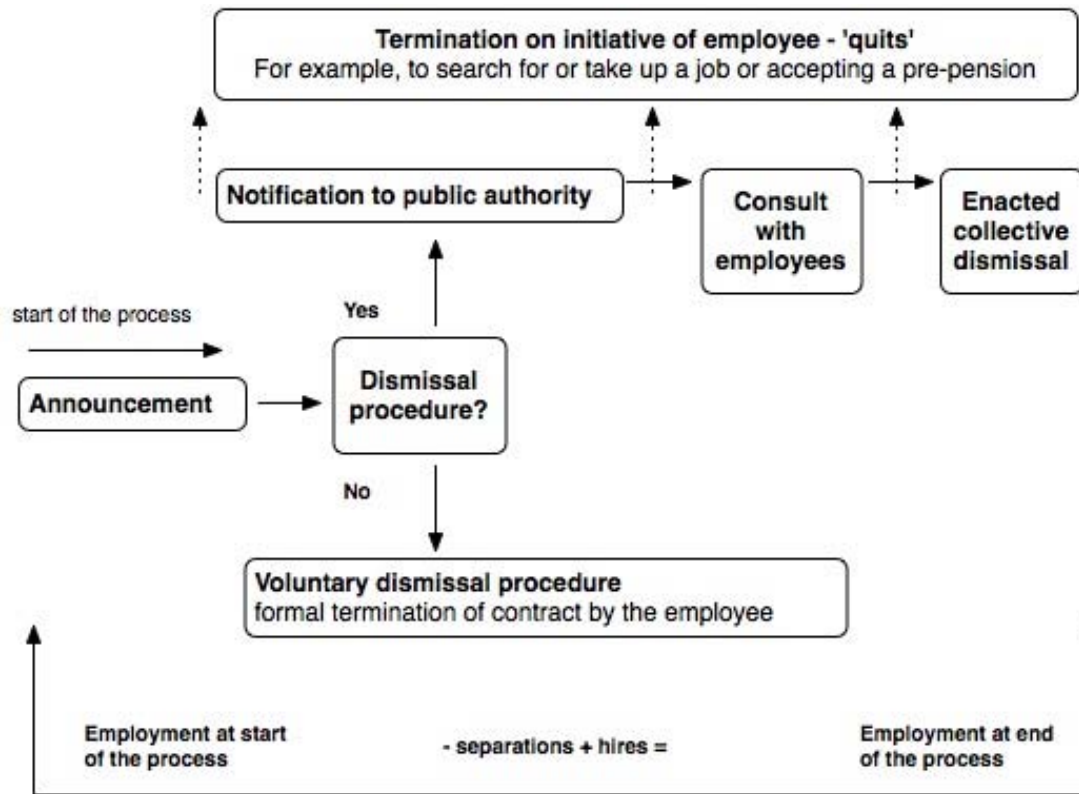
Introduction

- When we try to understand the consequences of restructuring on the labour market, we have to keep in mind that two are the main purposes in the field of research or policy-makers.
- The first is the **nature and extent of restructuring**, i.e. how many jobs are going to be lost and created in different sectors and regions and why that happened.
- The second are the **consequences of restructuring**, for example, determining whether or not the redundant workers moved on to a new job, and what impact the job loss had on subsequent earnings. In the latter case, much of the focus of recent EU policy has been placed on the labour market outcome for the affected employees.



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The restructuring process





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Globalisation, a change in the paradigm

- Public authorities usually plan interventions to help workers facing the dismissal, but
- more often nowadays, plan and projects are made for the anticipation of the stage of crisis. This means not only helping the workforce with appropriate actions, for example devoting resources to training, but also helping firms to maintain competitiveness in their market being able therefore to face globalisation.
- All these is necessary because there is a change in the globalisation paradigm as prospected by the European Restructuring Monitor. They highlight the fact that the nature of trade has shifted significantly.



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What is happening is...

- Originally, trade was largely between countries with quite different productive capacities, often based on their different natural resources, but by the 1960s, it was increasingly between developed nations, exchanging quite similar types of products.
- Around the 1980s, the key trend was the emergence of various (Asian) Tiger economies, which delivered intermediate products with increasingly high-skill content to the developed world at low cost. Foreign direct investment played a key role in the development of these economies which became an integral part of international production networks.
- Subsequent developments in (ICT) have permitted a more efficient coordination of global supply chains and enabled trade in services that can be codified and transmitted digitally. This has radically opened up the potential for an even finer degree of specialisation in the supply chain and thus international trade, not in final products, but in functions or tasks within firms.



Off-shoring

- Offshoring – the shift of identifiable jobs in Europe to other locations – is one indicator of a new globalisation phase.
- Manufacturing jobs from the EU15 are mainly offshored to the NMS10, while service jobs are predominantly moved to Asia.
- However, it is underlined that offshoring is probably an inappropriately narrow empirical focus, as the location of new investment (and jobs) is not captured by the concept of offshoring. Moreover, the main negative impact of globalisation is almost certainly not that jobs are offshored, but that they are simply destroyed.



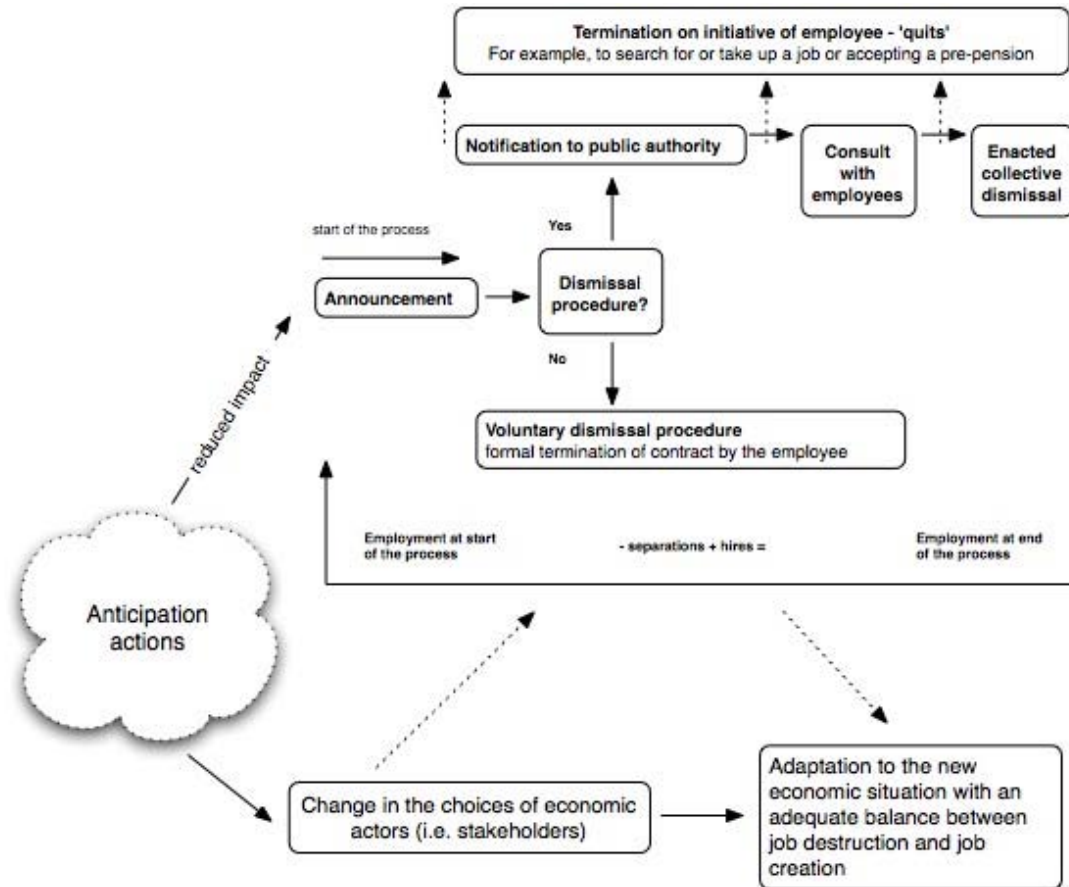
Anticipation 1

- Anticipation is not only a way to avoid the crisis, but actually should become a behaviour all the subjects involved, the so-called **stakeholder**, should adopt.
- Introducing the element of “anticipation” means try to uncover the grey area, specifying a sequence of actions (the application of the SECTOR model) that induce to adapt to the changed environment without the need to start a dismissal procedure.



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Anticipation 2





The socio-economic context: a general idea

- The probability of an impending recession in the United States continues to increase. On balance, most observers rate the chance of a recession to be slightly more than 50%, while others – such as Goldman Sachs' chief U.S. economist, Jan Hatzius – are more categorical, stating on 8 January 2008 that 'recession has now arrived, or will very shortly'. Many indicators, including consumer and business confidence, unemployment and investment, are pointing sharply downwards.
- On average, unemployment continued to fall in the EU27 (by 0.1 percentage points) in the third quarter of 2007 compared to the previous quarter. The two most recent Member States to join the Union show very divergent developments, with Bulgaria exhibiting the largest decrease and Romania the largest increase. The decline of unemployment in Germany continues to be very impressive. The national figures, issued by the Federal Labour Agency, show that unemployment fell by 78,000 to 3.4 million. Recent Eurostat data shows a rate of unemployment of just under 8%, which is the lowest rate since 2001.



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Benchmarking: what are we going to observe

- Subject owner of the action; it is the institution or more generally the subject that has planned and realised the intervention;
- Type of intervention; short description of the intervention
- Other subjects involved in the intervention;
- Impact of the intervention; results attained in terms of new entrepreneurial activities, impact on employment, new cooperation among institutions, territorial extension of the intervention.



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Benchmarking: comparison table 1

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
Province of Bergamo	Practice 1	Province of Bergamo, Development Labour Program Committee	Creation of a Monitoring Body During the 2006 an agreement was made among Province of Bergamo, Industrial association and the three major Unions of Italian Workers (CGL; CISL; UIL) to prevent further unemployment among women in the region	The monitoring body has a committee composed by representatives of the Chamber of Commerce of Bergamo, the University of Bergamo, Servitec of Dalmine – a service provider for innovation and technology, as well as other local research institutes	The entire Province of Bergamo		The intervention has supported 275 workers in finding a new job, helped workers through the wage guarantee fund, given financial benefits for firms hiring workers,
	Practice 2	Industrial association of Bergamo	Series of projects aimed to new marketing strategies and market development within the textile and fashion sectors in three main stages: research, implementation and feedback		The entire Province of Bergamo	It has helped firms in the textile sector	
	Practice 3	Zaninoni Foundation of Bergamo	Financed studies and research to analyse possible evolution paths for the textile sector		The entire Province of Bergamo	Not a direct impact, but a knowledge creating support	Not a direct impact, but a knowledge creating support
	Practice 4	Textital srl	Job losses were prevented by training and offering continuing education to staff members	Apindustria, Trade Unions and Province of	Local, just the firm Textital srl.	The impact is directly on the development of the	Helped workers not loose their job and enhancing



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Benchmarking: comparison table 2

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
				Bergamo		firm	their competences
	Practice 5	Cotonificio Honegger and Social	Create a High-Tex Campus: an industrial innovative project with the aim to create a highly technological textile group at a competitive price for the fashion industry	Zambaiti Group, Province of Bergamo	Local, Cotonificio Honegger	The impact is on the Zambaiti Group which has acquired the Cotonificio Honegger.	Indirect effect because of the creation of new jobs.
	Practice 6	Lombardy Region	Support from the regional governmental body to the management of crisis through various projects	Regional government and Provinces	Lombardy region		Generally almost all interventions are aimed to support workers
Fundecyt	Practice 1	Fundecyt	Creation of a knowledge cluster: the intervention consists of the Study of the business chains, definition of joint plans for improving competitiveness, and implementation	Sector association that brings together companies, foundations and other organisations related to continuous improvement in management and innovation in companies	The entire region of Extremadura	Direct impact on management of firms	Indirect impact on job creation or reduction of job destruction
	Practice 2	Fundecyt	Creation of a Metal-mechanical Cluster: the intervention consists of the Study of the business chains, definition of joint plans for improving competitiveness, and implementation	Sector association that brings together companies, foundations and other organisations related to metal-mechanical sector	The entire region of Extremadura	Direct impact on management of firms	Indirect impact on job creation or reduction of job destruction
ESCI de l'Ain	Practice 1	MECA BOURG	Pole for competencies: it aims to develop the attractiveness	Schools, employment	The department of	Direct impact on the competitiveness of	Direct impact on workers through



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Benchmarking: comparison table 3

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
		association	of the sector (and of the territory) in direction of the people in order to find in a sustainable way the Human Resources the industrial sector will need in the future	agency, training centres	l'Ain	firm through promotion, training, prospecting and mutualisation	job creation
	Practice 2	MECA BOURG association	Pole for development: it aims to develop the attractiveness of the sector in direction of "order principals" in order to develop business opportunities in a sustainable way	Chambers of Commerce and Industry, firms	The department of l'Ain	Direct impact on opportunities for firm through promotion, prospecting and monitoring	Direct impact on workers through job creation
	Practice 3	MECA BOURG association	Pole for excellence: it aims to accompany the development of the sector through the implementation of complementary actions destined to develop quality and security, take into account environment concerns and technological development	Firms, associations and organisations related to mechanical sector	The department of l'Ain	Direct impact on opportunities for development for firm through certification, innovation/technology and environment	Direct impact on workers through job creation
	Practice 4	MECA BOURG association	Pole for networking it aims to pursue the identification on a permanent basis of the needs/projects of member companies, proposition of actions, implementation of projects the development and consolidation of the "network life", Represent the network in its environment (institutional. economic....).	Firms, associations and organisations related to mechanical sector	The department of l'Ain	Direct impact on opportunities for development for firm through network animation and life	Direct impact on workers through job creation



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Benchmarking: comparison table 4

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
			Report to financing bodies. Prospecting to integrate new member companies				
NASMB	Practice 1	ROPOTAMO J.S. CO	Development of a project to improve production and sale processes to better satisfy its clients. The aim is achieved by developing joint projects with IT cluster and the Industrial Organisation.	Industry organization, BAATPE		Direct impact on the opportunities for development of the firm.	Indirect impact on job creation and reduction of job destruction.
FUNDPEP	Practice 1	Vistula & Wolczanka	Development of a project to help 2 firms in the textile sector to merge and develop its business.		Regional	Direct impact on the opportunities for development of the firm.	Indirect impact on job creation and reduction of job destruction.
ACTO	Practice 1	Regions of Galizia and North- Portugal	Megacluster Galizia-North of Portugal. The main objectives of this initiative are: The consolidation of the cluster at institutional level, and for sector associations and firms; Building a network with the main entities of technology and innovation system of the two regions; Spread the opportunities and resources for firms; Provide adapted services for easier access to regional fund sources for firms; Strengthening international presence implementing joint	Associations, workers unions, industrial organisations	Regions of Galizia and North of Portugal	Indirect impact on the opportunities for development of the firms.	Indirect impact on job creation and reduction of job destruction.



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Benchmarking: comparison table 5

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
			initiatives of international cooperation; Ensure the international and grouped representativeness of the row textile-clothing; Create an image of excellence for the region, in one of its sectors of activity with higher international representativeness.				
	Practice 2	Acto?	Co-operate to undertake. These cooperatives are available for people who seek to create their professional activity, and will house them under the employee status (the cooperative bills for them and paid them a salary commensurate with the turnover), will accompany them in their commercial progress and will introduce them to the basic rules of management, as long as necessary to get their business plan and to consolidate their draft business.	??	Entire country? Or just North of Portugal region?	Direct impact through support in the creation and sustainability of new firms	Indirect impact on job creation
	Practice 3	Portuguese government	Simplex Initiative. The Simplex Program joins measures of administrative and legislative simplification, conducted by the different	Public administration at all levels	Entire country	Indirect impact on the simplification of administrative procedures and creation of	Indirect impact on the simplification of administrative procedures..



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Benchmarking: comparison table 6

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
			sectors of the central government.			opportunities for development of firms.	
NWRC	Practice 1	BIO-WISE	BIO-WISE provides a comprehensive database of information, expert advice on the use of biotechnology in the UK of which the textiles sector is one of the key sectors.	Industrial association	Entire country	Direct impact in the Bio sector and the textile sector	Indirect impact on job creation and reduction of job destruction.
	Practice 2	DRA project	The DRA (David Rigby Associates – International Consultants in Textile Strategy, Marketing and Technology) has been investigating local textile and clothing industries for Governments and Development Agencies in developed countries for over 20 years	All stakeholder involved with the textile industry	Entire country	Indirect impact on firms of the sector through the diffusion of information and developments of the textile sector.	Indirect impact on job creation and reduction of job destruction.
	Practice 3	North West Textiles Network	The North West Textiles Network specialises in supporting technical textile companies. NWtexnet), is funded to promote and develop the technical textile (Advanced Flexible Materials) industry.	Development Agency	Regional (Bolton)	Direct impact on the advanced flexible materials industry	Indirect impact on job creation and reduction of job destruction
	Practice 4	Non-wovens Network	Non-wovens Network A good natured association of like-minded people with interests in the nonwovens and	All stakeholder involved with the textile industry	National	Direct impact on the development of the sector	Indirect impact on job creation and reduction of job destruction



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Benchmarking: comparison table 7

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
			related industries. A Club for all those who are associated with the Non-wovens Industry.				
Camera di Commercio Italiana a Budapest	Practice 1	Camera di Commercio Italiana a Budapest	Transnational European Labour Market Integration Through Information Technologies (TEIMI). It aims at tackling the problem of territorial disparities among old and new EU Member States, focusing on the labour market. It aims to set up PES which should provide job-matching measures with information and communication technologies (ICT).	Public administration and public and private employment associations	Entire country	Indirect impact on the labour demand satisfaction for firms	Direct impact on workers through a more efficient job mobility
Camera de Comerț, Industri și Agricultură Vaslui	Practice 1	?Camera de Comerț, Industri și Agricultură Vaslui ?	Business infrastructure and support structures for the SMEs. The development of the business infrastructure and access possibilities, for improvement of the business environment, supply of information, services and technologies aiming the increase of the business competitiveness, was supported by financing programmes through pre-accession and governmental funds.	Government, local councils, SME and large firms, industrial association	North-East Region	Direct impact on SME firms	Indirect impact on job creation and reduction of job destruction.



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Benchmarking: comparison table 8

Project partner	Practices	Subject owner	Type of intervention	Other subjects involved	Territorial extension	Impact Firms	Impact Employment
	Practice 2	NORTH-EAST Regional Development Agency (NERDA) – Romania as initiator of the project and coordinator, METRON SRL – Italy	Discover NE Romania. It aims to develop and implement a Regional Innovation Strategy in North-East Region Romania that will increase its economic potential, based on an innovation support system, in order to effect a significant change in the concept itself of innovation and development of innovative business through the promotion of competitiveness in all sectors. It also aims to set up effective relations/connections between the research, academic and business sectors, to identify their needs and resources and to make a link between them.	TEHNOPOLIS Park Iasi, local councils and associations	North-East Region	Direct impact on innovative firms	Indirect impact on job creation and reduction of job destruction.



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Towards which model?

	Systemic	Spot
Prov. of Bergamo	1 systemic to help workers and firms (management of the crisis) 1 systemic concerning actions undertaken by the Region	4 spot to help firm during the crisis
Fundecyt	2 systemic to develop the cluster (knowledge of the cluster and study of action to help develop it)	
ESCI de l'Ain	4 systemic to better understand the sector in terms of competencies required, development, excellence support and networking	
NASMB		1 spot to help a firm develop and improve its competitiveness
FUNDPEP		1 spot to help two firms to merge and survive into the market
ACTO	3 systemic in different areas. 1 to help the cluster between North and Galizia. 1 to help the creation of new firms. 1 to improve public institutions functioning.	
NWRC	4 systemic interventions. 2 creation of networks and 2 to support cluster activity	
Cam. Com. Budapest	1 systemic helping workers and more generally PES through improved ICT network	
Cam. Com. Vaslui	2 systemic to help SME firms and 1 for the development of infrastructural services in technology and innovation	

- Almost all practices are systemic;
- But the approach needs to be taken even further, it is necessary to build a “knowledge creating system”; This means dynamically (through time) share experiences, needs and resources to keep the territory competitive;
- Move towards SECTOR model.