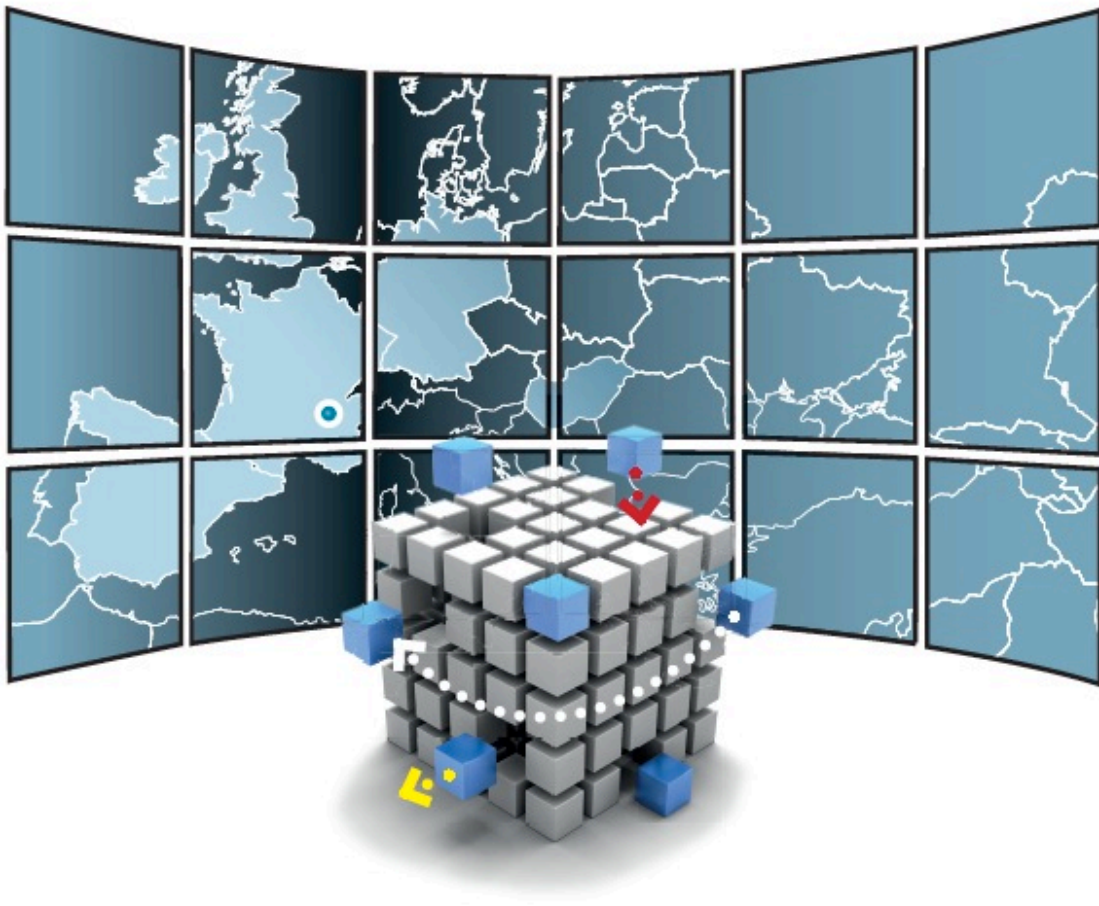


SOCIAL REGULATION BETWEEN CONTRACTORS AND SUBCONTRACTORS IN INDUSTRIAL SECTOR DURING RESTRUCTURING TIMES

HOW TO IMPROVE EMPLOYMENT AND WORKING CONDITIONS IN INDUSTRIAL SUBCONTRACTING?



The performance of the industrial company depends on the quality of the relationship between contractors and subcontractors. It is important to support this relationship management tools, consultation practises and purshaising policies that favor the articulation of the technical, economic and social aspects of the value chain.

- What strategies are developing French and European businesses?
- How governments influence these practices?
- What practices are most promising for the future of the industry?

The results of a European study draws the stakes and tendency of those issues.

Funded by DG Employment, Social Affairs and Inclusion of the European Commission, the project started in December 2010 and brings together seven partners from five European countries: the French Agency for the Amelioration of Working Conditions (ANACT), The Observatory for Corporate Social Responsibility (ORSE), The association Work Employment Europe Society (ASTREES) in France, Project Consult in Germany, Labour Asociados in Spain, The Institute of Sociology of the Hungarian Academy for Sciences and the Working Life Research Institute (WLRI) in the United-Kingdom. For further information on the project, you can consult the leaflet.

Subcontracting in the industrial sector has increased strongly since the 1980s. The competitive context has encouraged companies to concentrate on their core business and to subcontract other activities. It is a way to manage market fluctuations, and/or to innovate and share the risks of R&D. The recent economic crisis forced most contractors (C) to reduce their volumes of production, their stocks, to delay the investments in R&D and to hold down their prices. These actions had direct consequences on their subcontractors (SC) both in terms of activity and employment. The economic dependence of the SME subcontractors makes them particularly vulnerable in this context. In the medium term, the principal risks are that, when demand rises again, contractors will not be able to find enough suitable subcontractors, be unable to respond and/or may have lost the vital know-how of collaboration and innovation.

In this context, the actors involved should try to regulate their relationships in order to face both crisis and restructuring. To improve their relations, C and SC must regulate not only the economic elements, but also the social aspects: employment, development of qualifications, and well-being at work.

This project concerns the social regulation between C/SC in the industrial sector in 5 countries (France, UK, Germany, Hungary and Spain). These have different practices with regards to subcontracting, whether through laws, regulations, means of sharing information, anticipation of market fluctuations, preservation of employment, training, or legal and commercial contracts, etc., relating to the consequences of crisis and/or restructuring.

The project aims to investigate these practices and to promote exchanges of experiences and good practice on this subject in Europe.

For further information, a toolkit is available and provides:

- Sectorial analysis of subcontracting in the industrial sector in each country of the project.
- Case studies on the relationship between contractors and subcontractors.
- Recommendations to improve the regulation of the relations between main contractors and subcontractors.
- The final report of the project

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THE RECOMMENDATIONS OF THE PROJECT

First, we need to produce the standard, the objectification tools and the knowledge used to identify the subcontracting outsourcing space so that we may more ably guide its development.

- 1. Bridging the legal gap between labour law and commercial law**
- 2. Standardising and harmonizing the definitions of subcontracting**
- 3. Producing reference indicators for monitoring the development of subcontracting**
- 4. Creating new theoretical and practical knowledge on inter-corporate operation**

The performance of organisations no longer relies primarily on a Company's internal management but above all on the quantity of the inter-corporate structure; therefore, in future, production actions must be coordinated in a more extensive area.

- 5. Encouraging "sustainable" organisational innovation**
- 6. Structuring and coordinating industrial sectors**
- 7. Providing purchasing functions with a "sectorial" duty**

And review the issue of governance in the light of these new boundaries.

- 8. Organising a new social dialogue space around the value chain**
- 9. Linking CSR and social dialogue**
- 10. At European level, prioritise improvements to relations between principals and subcontractors.**

THE PARTNERS OF THE PROJECT

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|  | <p>ANACT, the French National Agency for the Improvement of Working Conditions (Anact), is a public institution, managed by three-party council (employers, employees, public authorities). It produces and disseminates innovative methods and assists in the design and implementation of public incentive policies on working conditions. The agency has a lot of experience in project management and will be in charge of the WP1 on that aspect.</p> |
|  | <p>ORSE is the Study Centre for Corporate Social Responsibility. Its members of include most of the biggest businesses in France, all the social partners organisations and some European members. It will bring to the project their contacts with businesses. ORSE is in charge of the WP4 dissemination.</p> |
|  | <p>WLRI, Working Lives Research Institute, is a centre for research and teaching at the London Metropolitan University, undertaking academic and applied research into all aspects of working lives. Researchers at WLRI have considerable experience international project work and have participated in several significant studies on restructuring. It will be in charge of WP2.</p> |
|  | <p>LABOUR ASOCIADOS is a consultancy company. It specialises in the fields of employment, labour market, and industrial relations. LA has ample European experience, especially with regard to employment and the labour market. It will be in charge of WP3.</p> |
|  | <p>Project Consult is a labour-orientated consulting institution. It is particularly engaged in European projects to develop innovative solutions for work and employment. PCG will be in charge of WP5 project evaluation.</p> |
|  | <p>ASTREES is a non-profit multi stake-holder association. It is a place for discussions and innovations with extensive expertise on restructuring and its consequences.</p> |
|  | <p>The research group of sociology for organisation and work is part of the institute of sociology of the Hungarian academy of sciences. It played a key role in many researches related to work issues and is used to working in international cooperation.</p> |