

Seminar:

SOCIAL VALUES AND SOCIAL RESPONSIBILITY IN COMPETITIVE AND GLOBALISED ECONOMY

What should workers, companies and public authorities do to improve the quality of work and life?

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*Sveti Duh, Škofja Loka, Slovenia
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Introduction



The majority of EU citizens are convinced that living conditions in the EU in the next 20 years will be worse than they are now. Specific surveys (e.g. European Working Conditions Laboratory) show that the quality of jobs is decreasing in many aspects.

Speaking about quality indicators in the economy is not very common; quantitative measurements such as the GDP, inflation rate, unemployment rate and others are mostly mentioned. But if workers are asked about the quality of their jobs, mostly qualitative indicators such as personal fulfilment, interpersonal relations, chances of promotion, etc. are mentioned. However, in social dialogue at the European level and especially in social

dialogue at the national level in Slovenia, often only the quantitative dimension is addressed. Without addressing the qualitative dimension, it is not possible to speak about raising quality of workers' work and life.

More and more companies discover that investments into the values, ethics and corporate social responsibility finally results also in the long-term profits. So, we experience the need to empower workers organisations

- With the tools to measure the quality of jobs,
- With the understanding of corporate social responsibility and
- With the courage to include not only quantitative but also qualitative indicators of quality into social dialogue and their mission.

Aims, contents and course of the seminar

Aims of the seminar

- To explore how the current economic situation, still in the financial crisis, affects the quality of the workers' work and life.
- To explore and compare social responsibility and the competitiveness of the companies between EU countries.
- To analyse the role of workers, companies and public authorities in a process of improving the quality of work and life.
- To contribute to strengthening civil society and advocacy of workers in EU countries.
- To develop a vision of the future economic development in EU countries based on values of human dignity of every individual human being.

Contents of the seminar:

- **Target group of workers in Slovenia, Italy, Austria and Germany.** Characteristics of workers/work, challenges they face, perspectives.
- **Concepts of social responsibility and social rights in theory and practice.** A question of social responsibility and social rights related to the competitiveness of the companies and national economy. The difference between individual (voluntary) and social responsibility (solidarity) of the state.
- **Concept of human dignity as a basic value for social rights.**
- **Examples of combining competitiveness with social responsibility.** Is there a way to remain competitive and act with social responsibility?
- **Role of participation in workers organisations as a way to more and better jobs.** The role of social state and workers organisations for more and better jobs.
- **Perspectives for the future.** Which alternatives do the state, companies and workers have to provide more and better jobs.



Course of the seminar:

- In the **first phase** of the seminar, social responsibility before, during and after the crisis in different EU countries was overviewed.
- In the **second phase**, the role of the state, individual workers, workers organisations and companies in providing more and better jobs were discussed and analysed.
- In the **third phase**, human dignity as the fundamental value was defined, competitive and socially responsible companies were proposed as a perspective for the future.

Programme of the seminar

Friday, 24 September 2010	
17:00	<u>Seminar opening:</u> <ul style="list-style-type: none"> • Klemen Štibelj, Workers' Association of NSi • Matej Cepin, Social Academy
17:20	<u>Crisis – opportunity for socially responsible entrepreneurship?</u> <i>Marco Boleo, EFAL, Italy</i> <u>How to successfully organise social rights in order for the economy to stay competitive?</u> <i>Ivan Kukar, lawyer, Slovenia</i> Discussion
19:30	Dinner
21:00	Evening discussion

Saturday, 25 September 2010	
9:00	<u>Introduction – a good start to the day</u> <i>Robin Schweiger, Social Academy</i>
9:20	<u>How to keep the human dignity as a fundamental value?</u> What are the roles of the state, companies and workers in the increasingly competitive economies? <i>Dušan Semolič, ZSSS, Chairman</i> Discussion
10:30	Coffee break
10:40	<u>The role of the state in keeping the economy's competitiveness and workers' dignity</u> <i>Bernard Brščič, Faculty of Economics, University of Ljubljana</i> Discussion
11:50	Coffee break



12:10	<p><u>German workers' social rights: before, during and after the crisis</u> <i>Dr Johanna Bödege-Wolf, Germany</i></p> <p>Discussion</p>
13:30	Lunch
15:00	<p><u>Combining competitiveness with social responsibility:</u> Is there a way for a company to remain competitive and act with social responsibility? <i>Dr Iris Straßer, STRASSER & STRASSER company, Klagenfurt, Austria</i></p> <p>Discussion</p>
16:20	<p><u>The role of participation in workers organisations as a way to more and better jobs</u> The role of a social state in workers' organisations – summary of different discussions <i>Matej Cepin, Social Academy</i></p>
16:40	<p><u>Summary of seminar</u> <i>Rok Prešern, Institut Dr. Janez Evangelist Krek</i></p>
17:00	Conclusion – dinner



Content of the seminar

Friday, 24 September 2010

Seminar opening, presentation of the participants and programme (Klemen Štibelj, NSi, Matej Cepin, SAK).

Crisis – opportunity for socially responsible entrepreneurship?

Marco Boleo, EFAL, Italy

Mr Boleo started his presentation by outlining the current situation of the national economy, workers, workers organisations and companies in Italy. He explained how the global financial crisis has affected the quality and number of jobs and consequently the lives of workers and their families.

The crisis started in the financial sector and slowly extended to the industry. The first losses of jobs occurred in the financial sector; later even more jobs were lost in the industry. Many workers who had worked in the financial sector will have to retrain and find employment in other sectors of the national economy. The problem of workers who lost jobs in the industry is lower education, which means it is more difficult to find new employments for them. Because of the raise of interest rates, the loans became more expensive for companies. The prices of raw materials on the market also rose and further the situation for industrial companies further deteriorated. They have been forced to cut the costs and in many cases they cut costs by cutting jobs, salaries and training of workers as well as other benefits of employment. All these changes aggravated the situation of workers and their families.

Labour cost in Italy is high and companies are moving to other countries, where labour cost is lower. In addition to jobs lost, these companies no longer pay taxes in Italy. Consequently budgetary revenues of the state are lower and the state can no longer pay for the social security. Is this the end of a welfare state? What are the solutions?

- As a short-term solution, Mr Boleo recommends horizontal solidarity between workers and their families.
- Second, we have to assure that workers who lost their jobs stay active in the labour market. They have to retrain from the declining sectors (jobs) to the prospective sectors (jobs). Lifelong learning became very important.
- Labour market and social policies are not sufficiently effective. Local communities and workers organisations need more responsibility and competence.



- Time for socially responsible entrepreneurship. The socially responsible companies are more accepted in the local communities and therefore more successful.

During the discussion, the following issues were raised:

- Organised crime: around 20% of people participating in black labour market or linked to the illegal activities of organised crime. This has negative effect on solving the crisis.
- Role of the trade unions: there are three trade unions in Italy – left, Catholic and one in the middle. Left syndicate is not interested in trying to understand the situation in the crisis. This prevents a compromise and positive solutions.

How to successfully organise social rights in order for the economy to stay competitive?

Ivan Kukar, lawyer, Slovenia

How can we organise social rights in order for the economy to stay competitive in a globalised world? This question is very important in the context of the global financial crisis, which revealed the problems of the Slovenian national economy. We can recognize that our current welfare state is no longer possible. The reforms of social security, pension system and healthcare system are necessary. Without the adequate reforms, the collapse of the economic system is foreseen within two to three years. Social security depends on the “health” of the state and its economy.

Accumulated problems are the remains of the last two decades without adequate reforms. No serious reforms were adopted towards real democratisation, strong national economy, the rule of law, etc. There are a number of irregularities and cases of unfairness in the field of the economy, public companies, state administration, public procurement, privatisation, the media, etc. All these resulted in the state and the economy being poorly prepared for the coming global crisis, which even intensified the crises.

There is a lot of unfairness within the framework of social security. The minimum salary is nearly the same as the social security benefit, the minimum pension amounts to only EUR 300 EUR, while the maximum pension is EUR 1800 per month; the supplementary health insurance contribution is equal for a person with the minimum salary or the highest salary; the generation aged over 55 owns 85% of real estate property, etc.

These extremely necessary reforms are not popular as they will cut social rights. But we still need to remedy the unfairness (economic privileges of certain groups) within the social security system first, not only cut the social rights. So social security would be more effective and oriented towards the people who really need it.



- The inflation will cut the social rights softly and in time.
- The reforms of the social security should be complete, with all aspects included and considered (salary or income, property, family, age, etc.). The fairness of the system is of utmost importance.
- Not only solidarity between generations, but horizontal solidarity is required as well.
- More responsibility and competences to the local communities and charity organisations.
- Long term sustainability of the system and its subsystems.

During the discussion, the participants expressed their fear about the coming reforms and cutting the social security. Furthermore, there is the need for informing and educating people about the coming reforms, to prevent possible misunderstandings and to make the system effective.

Saturday, 25 September 2010

Introduction – a good start to the day

Robin Schweiger, Social Academy



A human being is first before God and only then as a worker or a consumer. Commitment as a Christian originates in human dignity and responsibility. What is really important is human dignity, love and care for others – solidarity.

Under the notion of development, we should not only understand material and economic development, but also the spiritual growth of a human being. A goal of development should be in the human being and in common good.

How to keep the human dignity as a fundamental value?

What are the roles of the state, companies and workers in the increasingly competitive economies?

Dušan Semolič, ZSSS, Chairman



The reasons for the global financial crisis, which later extended to other sectors of the national economies, originate on the side of the capital. But the workers and their families (and other socially disadvantaged groups) suffer the negative consequences. The workers with the minimum salary and the unemployed cannot afford reducing their means of survival. Reducing social security

therefore means fewer possibilities for them and their families. They can no longer afford a decent standard of living.

The values are important. Competition and winning is good, but where are those who cannot compete and win? The welfare state and solidarity are the values that should be maintained as they protect these people. The welfare state ensures the well-being of all people and their decent living.

The solution is still the consensus between partners – companies (economy), workers (workers organisations) and the state. All partners are important and necessary to find the right solutions. If the state will proceed with the proposed reforms without consensus, workers organisations will use all means to oppose.

Mr Semolič denied statements that the labour market was rigid and prevented effectiveness. He claims that changing the labour market towards increasing the flexibility is not the right direction. These changes always reduce the social rights of workers. He believes we need to find solutions for the current global crisis on the side of the capital, black market, etc. The companies with good management were not so gravely affected by the crisis. Where all the stakeholders do their tasks, the situation is not so grave. That means we need to improve corporate management to be able to be successful and socially responsible.

The basic value at the centre of all these questions should be human dignity. It is the core of social security subsystems and the economy. When talking about reforming the economy, labour market, social security or state, we have to think about how reforms affect the people. This is the goal to achieve.

The following topics arose during the discussion:

- Raising the retirement age – where are the jobs where workers could work? If we raise the retirement age and have no jobs, we did nothing.
- Not only institutionalised solidarity, individual solidarity is important as well (or perhaps even more important).

The role of the state in keeping the economy's competitiveness and workers' dignity
Bernard Brščič, Faculty of Economics, University of Ljubljana



The state is too big – what does that mean? It means too much taxes, too much redistribution by the state, too many public companies (not effective), too much economic benefits of the oligarchy or interest groups, all decisions taken by the state rather than individuals – the people, too many employed in the public sector, etc.

Mr Brščič believes the state should provide the basic framework – the rule of law. The rule of law has practically not been established in Slovenia. This is the main reason why in Slovenia there is no efficiency in the economy, social security systems, corporate management of public companies, judicial system, etc. Instead of a fully functioning state with the rule of law, with operational subsystems (pension, healthcare, social security), we face the unfair privatisation, oligarchies, abuse of the budget for unjustified causes, decomposition of the morality and fairness, poor situation of workers and their families, etc. The rule of law alone assures the human and social rights.

What are the solutions? The solution is not an even bigger state as it would allow all the irregularities mentioned above.

Mr Brščič believes morality to be very important. Even the market itself cannot fully function without morality. The values of working, earning for living and being responsible are also very important.

He agrees with solidarity, but favours individual solidarity to the institutionalised solidarity. The solidarity and social security is important to provide decent living to those, who cannot compete and win, not for supporting the people who do not wish to work. The level of earnings for work (minimum salary) must be higher than social transfers for living.

The state should support creating the jobs through economic policies (rather than create jobs) by lowering taxes for the companies (rather than support inefficient public companies), helping new companies with ideas and know-how, supporting prospective jobs with high added value, providing independent regulatory institutions, etc.

To help the workers and their families as well as other socially disadvantaged groups, the state should lower the taxes on their income, recognise people who really need help, etc.

The reforms of social security, pension and healthcare systems are necessary. Without these reforms, we will face the collapse of the economic system and consequently all subsystems will collapse.

During the discussion, the participants agreed with the presented assessment of the current economic and political situation in Slovenia.

German workers' social rights: before, during and after the crisis

Dr Johanna Bödege-Wolf, Germany



In the first part Ms Bödege-Wolf presented the point of view of the companies. The companies were, are and will be interested in good workers. If the companies are affected by the crisis they need good workers even more to get through the difficult times. They tend to keep good workers with good-quality jobs and conditions. They try to develop long-term relationships with good

workers, which involve trust, understanding and responsibility. So the companies understand the workers (and their families) and the workers understand the companies and the changing situation. With such trust being established, they can make the necessary arrangements and reforms within companies. This is an example of socially responsible companies.

In the second part, social rights were presented. No social rights changed during the crisis. Social rights changed before the crisis, when Germany expected the possible threats. The welfare state ended because the use of Keynesianist economic policies increased the deficits. It is no longer possible to pay for the welfare state.

Within the reforms in Germany: the retirement age was raised to 67, additional private payments for pensions started, the cutting of the social transfers occurred, etc.

During the discussion, a question was raised about transfers for young and old people. In case of Germany, more money goes to older people, but this should change. The money spent for young people should be seen as an investment.

Combining competitiveness with social responsibility:

Is there a way for a company to remain competitive and act with social responsibility?

Dr Iris Straßer, STRASSER & STRASSER company, Klagenfurt, Austria



The Strasser & Strasser company developed a network of socially responsible companies. Is it possible to be socially responsible and economically efficient at the same time? They believe it is possible that being socially responsible "makes money".

They mention three conditions: support of stakeholders; recognition of knowledge, experience and ideas; and appreciated work and contribution of all employees.

Possible costs of not being socially responsible: stress, overburdening, mobbing, conflicts, demotivation, fluctuation, process of new employments, etc. It means not being socially responsible can increase your costs.

The company organises seminars, working groups, exchanges of knowledge and experience for profit and non-profit companies.

During the discussion, the participants agreed that in many companies in Slovenia the management and/or the owners are not ready to be socially responsible. Some of them do not believe it to be economically efficient, the others think this is not important. Promoting socially responsible companies and the exchange of experience and knowledge is definitely the right perspective for the future.

The role of participation in workers organisations as a way to more and better jobs

The role of a social state in workers' organisations – summary of different discussions

Matej Cepin, Social Academy



Mr Cepin started by presenting a share of active members of different organisations and different fields of work (sports and recreation 50%, trade unions 19.4%, environment and animal rights 87.9%, etc.) To be successful, you need to attract and motivate people for your cause. How you can mobilize the people to follow your cause? Classic membership (supporting the idea in principle – membership acts) is the “old fashioned” way of social participation.

To be successful in attracting and motivating the people – co-workers you need to establish a movement. A movement within the workers organisations would be more efficient in influencing the policies for more and better jobs.

Opportunities we can consider and use:

- Specific projects based on need and observations of “normal people”.
- Use of dialog and building the communities.
- Use of new media, informal social networks, trainings.
- Commitment of the individual to values and movement.

Conclusions:

Organizers of the seminar as well as participants in general agree that the aims of the seminar:

- To explore how the current economy situation, still in the financial crisis, affects the quality of the workers' work and life.
- To explore and compare social responsibility and the competitiveness of the companies between EU countries.
- To analyze the role of the workers, companies and public authorities in a process of improving the quality of work and life.
- To contribute to strengthening civil society and advocacy of workers in EU countries.
- To develop a vision of future economical development in EU countries based on values of human dignity of every individual human being.

... were either mostly or entirely met.

The economy is still in global financial crisis in majority of EU countries. From the financial sector slowly moved also to the real sector of economy. In both sectors caused loss of jobs. Especially the workers with the minimum salary and the unemployed cannot afford reducing their means of survival. Reducing social security therefore means fewer possibilities for them and their families. They can no longer afford a decent standard of living.

But still, the welfare state ended as the deficits increased. It is no longer possible to pay for the welfare state.

To solve the situation both aspects should be considered – the economic point of view and workers point of view. The reforms should be adopted to help the national economy to recover. However, the reforms should first find the hidden possibilities and reserves in other fields such as black market, corporate management of public companies, privatizing, and only then reforms should cut the social security.

Some of good perspectives for the future are life-long learning, retraining of workers who lost their jobs, socially responsible companies, horizontal solidarity and solidarity between generations.

Under the notion of development, we should not only understand material and economic development, but also the spiritual growth of a human being. A goal of development should be in the human being as a basic value and in common good.

Written by:

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Ljubljana, October 2010

