



International
Labour Organization



United Nations
Economic Commission
for Europe

SEMINAR

Regional Forum “Social Aspects and Financing of Industrial Restructuring”

Moscow, Russian Federation, 26-27 November 2003

Information Notice

Introduction

1. This information notice gives details regarding the organization and participation in the Regional Forum “Social Aspects and Financing of Industrial Restructuring”, co-organized by the International Labour Organization and the United Nations Economic Commission for Europe on invitation and in cooperation with the Government of the Russian Federation. The Regional Forum will take place in Moscow, Russian Federation, on 26 and 27 November 2003.

2. Industrial restructuring is a process of adaptation of enterprises and sectors to changing conditions of competition, new market demand and government regulation, which has become a common feature of economic development worldwide. In transition economies, industrial restructuring is a key mechanism of modernizing the old uncompetitive enterprises inherited from the past on the one hand, and of the integration of those countries into the regional and world economy, on the other.

Objectives and scope

3. The Regional Forum will discuss the two major issues of industrial restructuring in the ECE region: its social aspects and problems of financing. The exchange of opinions among the social partners, that is Governments, labour unions and entrepreneurs, as well as independent views on these topical issues from academic experts are expected to facilitate the dialogue on industrial restructuring among its stakeholders and thus contribute to their constructive consensus. The materials of the Forum are also expected to facilitate the drawing up of the relevant recommendations to government bodies concerned by the international organizations dealing with industrial restructuring.

4. Transition economies attach considerable importance to the attraction of foreign direct investment as a means of economic modernization. It is therefore particularly relevant that the representatives of Governments, private companies having foreign stakes in capital as well as foreign investors themselves exchange views on the experience of foreign capital strategic participation in host country companies and sectors. Such an exchange of opinions is equally essential for potential investors, which need to be informed on the positions of their partners, bankers, ministries and administrations.

Venue

5. The Regional Forum will take place at the Academy of National Economy under the Government of Russian Federation at the following address: Prospekt Vernadskogo, 82, Moscow.

Organization

6. The Regional Forum will take place on 26 and 27 November 2003. The registration of participants will start at 8.30 on 26 November. The Forum will start on the same day at 10.00 and finish on 27 November at 18.00. The Forum will be organized into the opening session, four working sessions and a special panel dealing with the role of foreign direct investment in industrial restructuring. The session's Chairman will briefly introduce its topic; this will be followed by a presentation by the authors of the papers and a general discussion. The Chairman will conclude by summing up the discussion. The last working session of the Forum will be entirely dedicated to the general discussion.

Participation

7. Participation is open to interested parties from UNECE member countries and other member States of the United Nations, representatives of United Nations specialized agencies and international organizations participating in the activities of UNECE. Broad participation of government officials, local communities, academia, and bank and industry representatives is expected.

8. Governments are invited to inform their national bodies, labour unions, professional federations, industry and consulting companies and other relevant organizations on the Regional Forum so as to ensure participation of the most competent experts dealing with the various aspects of industrial restructuring.

Conference fee

9. No conference fee is charged for participation in the Regional Forum. Travel and accommodation expenses are borne by the participants.

Passports and visas

10. All participants should be in possession of a valid passport, with an entry visa (if required) which can be obtained from the diplomatic representation of the Russian Federation in their country of residence. It is advisable to make such visa applications well in advance of the date required. The UNECE secretariat will provide letters to the Russian Federation authorities (i.e. consulates) confirming the attendance at the Regional Forum for those participants who need such a letter and request it directly from the secretariat.

Preliminary Registration

11. Interested parties are invited to fill out the attached Registration Form (Annex I) and return it by 18 November 2003 at the latest to the following address:

Mr. Iouri Adjoubei
Room 429-2, IREEDD, UNECE
Palais des Nations
CH-1211 Geneva 10
Switzerland
Fax: (+41 22) 917 0178 or 917 0037
E-mail: iouri.adjoubei@unece.org

Documentation

12. UNECE member Governments, intergovernmental and non-governmental organizations, companies and individual experts are invited to prepare papers for presentation at the Regional Forum. Topics for such papers are presented in the preliminary Programme of Work (see Annex II)

13. By 1 November 2003, the secretariat should receive papers for presentation in one of the UNECE working languages (English, French or Russian). These papers will be reproduced by the secretariat. The secretariat encourages submission of papers in electronic format, preferably by e-mail. The papers will be distributed to registered participants by e-mail approximately two weeks before the Regional Forum. Paper copies also will be available in the meeting room during the Regional Forum.

Interpretation and visual aids

14. Simultaneous interpretation in English and Russian, facilities for projecting slides, as well as computer facilities for computer-aided presentations (e.g. Power Point) will be provided.

Travel and hotel arrangements

15. Participants are requested to make their own hotel and travel arrangements to and from Moscow.

Possibilities of accommodation

16. The organizers would like to inform the participants of some of the hotels, which are relatively well placed versus the venue of the Regional Forum (rates quoted were taken from the hotels or from the respective WWW sites):

Hotel Tsentralnyi Dom Tourista, Leninski Prospekt, 146 ("Yugo-Zapadnaya" metro station, a few stops by bus or a 10 minutes walk to the venue of the Forum)
Single room: RUR 1020; double room: RUR 1400, superior double room RUR 2105.
Tel/fax: 007095 438 8929;
Tel: 007095 434 3719; 434 2782
E-mail: n/a WW site: <http://www.cdt-hotel.ru/about.asp>

Hotel Rossiya, Varvarka st., 6 (“Kitai Gorod” metro station, about 45 minutes to the venue of the Forum by metro)

Single room: RUR 2500; double room: RUR 3300 (excl. breakfast).

Tel: 007095 232 6254; 232 6046

Fax: 007095 232 6248

E-mail: n/a WWW site: <http://all-hotels.ru/hotel/index.ru.html?kk=3cc11d1597>

Hotel Budapest, Petrovskiye Linii, 2/18 (“Kuznetski Most” or “Okhotnyi Ryad” metro stations, about 45 minutes to the venue of the Forum by metro)

Single room: USD 100; double room: USD 140.

Tel: 007 095 921 1060.

Fax: 007 095 921 5290.

E-mail: reservations@hotel-budapest.ru

WWW site: <http://www.hotel-budapest.ru/eng/contacts.html>

Further information

Further information on the Regional Forum can be obtained from:

Mr. Aleksey Koltsov
Deputy Head of Department,
Ministry of Industry, Science and Technologies
Tel.: (+7 095) 251-5766

Mr. Konstantin Bondarev
Scientific Secretary
Academy of National Economy
Tel.: (+7 095) 434 8412 or 434 8413

Mr. Iouri Adjoubei
Economic Affairs Officer,
UNECE Secretariat
Tel.: (+41 22) 917 2488 or 917 1964

ANNEX I

REGISTRATION FORM

This form should be filled in and returned as soon as possible but **not later than 18 November 2003** to:

Mr. Iouri Adjoubei
IREEDD, Room 429-2
United Nations Economic Commission for Europe
Palais des Nations
CH-1211 Geneva 10
Switzerland
Tel.: (+41 22) 917 24 88 or 917 19 64
Fax: (+41 22) 917 0178
E-mail: iouri.adjoubei@unece.org

(Please type or write in block capitals)

Family name (Mr., Ms., Mrs.):

First name:

Nationality:

Professional position:

Representing Government or
international organization or company:

Professional address:
.....

Telephone (please include country and city codes):
.....

Telefax (please include country and city codes):
.....

E-mail address:.....

ANNEX II

**INTERNATIONAL LABOUR ORGANIZATION
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**

PROVISIONAL PROGRAMME



REGIONAL FORUM
**“Social Aspects and Financing
of Industrial Restructuring”**

26 and 27 November 2003, Moscow, Russian Federation



UNITED NATIONS

Wednesday, 26 November 2003**10.00 – 10.15 OPENING SESSION**

Welcoming address: Executive Secretary, UNECE (to be confirmed),
Minister of Industry, Science and Technologies, Russian Federation
(to be confirmed)

10.15 - 13.00 SESSION 1. OBJECTIVES AND SOCIAL IMPLICATIONS OF INDUSTRIAL RESTRUCTURING

Chairperson: to be appointed

10.15 – 11.30 Topic 1. Industrial restructuring as a means of enhancing national competitiveness: overview of the problem

- (a) industrial restructuring as a means of regaining enterprise, sectoral and national competitiveness. Causes, and short-term and long-term objectives influencing restructuring at micro-, sectoral- and macro levels (renovating obsolete technologies, reversing the productivity decline, upgrading the product quality, developing new market niches, etc). New environmentally-friendly technologies as alternative restructuring objectives. Territorial aspects of industrial restructuring and problems of single-industry towns;
- (b) deficiencies in the institutional and regulatory framework for industrial restructuring in transition economies (price and tariff distortions, high barriers to market entry and inefficient market exit mechanisms, excessive regulation and lack of support for new enterprises, including small and medium-sized spin-off companies, poor contract enforcement and insufficient protection of intellectual property rights). Regional aspects of the issue. Progress achieved by individual countries and persisting problems. The ability of countries to emulate each other's experience.

Speakers: Academic expert from a developed market economy
Academic expert from a transition economy

11.30 – 13.00 Topic 2. Social costs of restructuring and their financing: a closer view

- (a) Major social problems encountered by restructuring enterprises: apparent and hidden costs of restructuring, direct and indirect job losses, and revealed labour force redundancies; inadequate employees' skills; falling family incomes and their effects on living standards; local budgetary losses. Accumulated experience of handling the issue of redundant work force in developed market economies (early retirement, retraining schemes, regional job creation programmes, family assistance etc.) Public-private partnerships at different levels of Government. Effects of changes in ownership (privatisation, mergers and acquisitions, employee buy-outs) on enterprise restructuring.
- (b) Financing constraints as a major handicap to industrial restructuring. Domestic and foreign sources of financing, and the role of foreign direct and portfolio investment.

The role of governments in industrial restructuring: conditions, scope and limits for direct financial inputs. Experience of developed market and transition economies of the ECE region.

Speakers: Representative of ILO
Expert from Germany
Expert from Poland
Expert from Romania

13.00 – 15.00 Lunch break

15.00 - 18.00 SESSION 2. TRANSFORMING SOCIAL COSTS INTO HUMAN CAPITAL

Chairperson: to be appointed

15.00 – 16.30 Topic 3. Alleviating the hardships of laid-off workers

- (a) Ways and means to avoid lay offs during the restructuring. Modes of support for the dismissed workers and their families: payments supplementing unemployment benefits, early retirement schemes, ad hoc severance payments, enterprise programmes facilitating internal and external job search, mechanisms of sub-contracting, flexible leaves, psychological help to the dismissed, resettling schemes and other family support programmes. Assessing the efficiency of these programmes. The role of social dialogue and cooperation among social partners. Case studies from developed market and transition economies. Conditions for emulating the successful experience.
- (b) Financing the support for the dismissed employees from enterprise sources. The scope for government financial assistance and the role of social insurance. Best practices in different groups of countries and sectors.

Speakers: Representatives of enterprises or employers' associations
Representatives of labour organizations and social insurance
Representatives of Government social policy bodies

16.30 – 18.00 Topic 4. From job security to employment security: creating new employment opportunities

- (a) Programs and schemes of retraining of personnel laid off in the process of restructuring. Organization of retraining modules; matching their contents with the market needs. Composition of employment generated at restructured enterprises, spin off companies and through regional development programmes. Free retraining and access of laid-off workers to newly-created jobs. Competition from migrant workers. Case studies from developed market and transition economies.
- (b) Financing of retraining programmes from private sources. The role of external strategic investors. Financing from Government sources. The role of international financial institutions.

Speakers: Representatives of industries
Representatives of government bodies responsible for restructuring
Representative of EBRD
Representative of the World Bank

Thursday, 27 November 2003

10.00 – 13.00 SESSION 3. THE ROLE OF ENTREPRENEURIAL INITIATIVE AND REGIONAL ASPECTS OF INDUSTRIAL RESTRUCTURING

Chairperson: to be appointed

10.00 – 11.30 Topic 5. Creating jobs and raising incomes – the potential of new private enterprises

- (a) New companies emerging as a result of restructuring. Their industrial and technological profile. New employment opportunities for dismissed workers; new jobs as an adequate substitute for those lost through restructuring. Government policy versus SMEs in different groups of countries. Framework conditions for SME establishment and development at national and regional levels.
- (b) Sources of new finance for spin off companies, the role of external investors. Government subsidies and other financial stimuli to enterprise development at national and local government levels. Their impact on industrial restructuring.

Speakers: Expert from the International Labour Organization
Expert from an enterprise in transition country
Expert from a labour union

11.30 – 13.00 Topic 6. Regional dimension of industrial restructuring

- (a) Problems of single industry towns and territories: uncompetitive local enterprises and industries, and a lack of employment and income alternatives for employees and their families; geographical immobility of the work force; insufficient local and regional budget opportunities and dependence on central Government subsidies; inadequate retraining facilities for laid off workers.
- (b) The accumulated experience of problem-solving. The role of business incubators and

13.00 – 15.00 Lunch break

15.00 – 16.30 SPECIAL PANEL. ASSESSING THE IMPACT OF FOREIGN DIRECT INVESTMENT

Chairperson: to be nominated

During the Special Panel, 3 or 4 case studies of enterprises with foreign participation, exploring the role of FDI and strategic investors from abroad in restructuring, will be presented.

Overall, these case studies will cover the following topics:

- status of the enterprise under review before the influx of foreign investment in terms of its competitiveness, production capacity, technology and work force condition, indebtedness etc. Objectives of foreign investors. Funds invested so far and their physical form (cash, equipment, technology);
- cooperation of foreign investors with central Government and local authorities; ad hoc encouraging measures and subsidies (reduced or eliminated import tariffs and local taxes, subsidised energy and water tariffs, and similar); commitments of foreign investors vis-à-vis the host country;
- results of foreign investment in terms of competitiveness and technology upgrade, higher quality of the work force and its better remuneration. Its contribution to local and regional development objectives and tax base. Foreign investors' handling of social issues resulting from restructuring and contribution to the societal consensus. Future plans for enterprises restructured with the help of foreign investors.

Speakers: Enterprise representatives from Russia, Kazakhstan, Ukraine, Representative of EBRD

16.30 – 18.00 SESSION 4. GENERAL DISCUSSION: SOCIAL PARTNERS IN RESTRUCTURING: DIRECTIONS FOR FUTURE COOPERATION

The session will be dedicated to the exchange of views between government bodies in charge of industrial restructuring, private companies, labour organizations, employers' associations and international organizations on ways and means to strengthen the social consensus on issues of industrial restructuring. It will also try to develop practical recommendations to government bodies dealing with industrial restructuring and consider some follow-up action by the ILO, UNECE and other international organizations.

Panel: speakers from the previous sessions