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## **A Model to Achieve More Successful Worker, Community and Enterprise Adjustment in Central and Eastern European Countries Undergoing Economic Restructuring and Privatization**

by

Gary B. Hansen  
Utah State University

### **Abstract**

*This paper explains the four specialized adjustment components comprising the “United States Department of Labor (USDOL) Adjustment Model” to achieve more successful economic restructuring and privatization in Central and Eastern Europe (CEE). For the past four years, USDOL training and technical assistance projects in Poland, Hungary, Bulgaria, and Slovakia have used individual components of this model; but never the whole model. For the first time, the complete adjustment model will be used as part of the USDOL labor redeployment program currently (July 1997) being implemented in Romania with the financial support of the World Bank, USAID and other international agencies.*

*Section I introduces the USDOL Adjustment Model. Section II describes the basic features of the four specialized adjustment components comprising the USDOL Adjustment Model. Section III briefly reviews the evolution of this adjustment model. Section IV explains how best to organize and deliver these components to achieve maximum benefits. Section V is a concluding comment.*

## I. Introduction

Economic restructuring in North America during the last two decades has demonstrated that while employment services and unemployment insurance programs are necessary components of a nation's labor market adjustment mechanisms, they are inadequate to achieve the successful adjustment of workers and communities undergoing mass layoffs and plant closings caused by severe episodes of economic restructuring. But through trial and error and painful experience, several additional components have been found to increase the successful adjustments of workers, communities, and restructured enterprises. As a result, most of these four adjustment components have been added to national and state (or provincial) programs for dealing with plant closings and mass layoffs in the United States and Canada.

Since 1993 the United States Department of Labor (USDOL), the International Labor Organization (ILO), and other international agencies providing training and technical assistance to facilitate the transition of several newly emerging democracies in CEE countries (e.g., Poland, Hungary, Slovakia, Bulgaria) from command to market economies have used some of these adjustment components.<sup>1</sup> Not surprisingly their work demonstrates that these adjustment components are urgently needed and equally applicable in CEE countries.

Four specialized adjustment components have been found to be very important in achieving successful worker, community and enterprise adjustment when undertaking major programs of economic restructuring and privatization in CEE countries. These four specialized components are: (1) *a worker adjustment component with rapid response capability* to plan, organize and facilitate the transition of workers to new jobs; (2) an *economic renewal component* to stimulate local economic development and generate new jobs in impacted communities; (3) an *enterprise competitiveness component* to strengthen surviving enterprises and preserve jobs; and (4) a *financial resources component* to fund the first three components.

These four adjustment components for achieving more successful worker, community and enterprise adjustment comprise the "USDOL Adjustment Model". This author conceptualized this model in January 1997 when the USDOL and World Bank asked him to help design a labor redeployment program for Romania as part of an internationally funded Employment and Social Assistance Project.

Chart 1 graphically presents the relationship among the four adjustment components of the USDOL Adjustment Model

## II. Components of Successful Restructuring Programs

Experience in North America and CEE countries demonstrates that these four specialized adjustment components are needed in programs to mitigate the impacts of large-scale economic

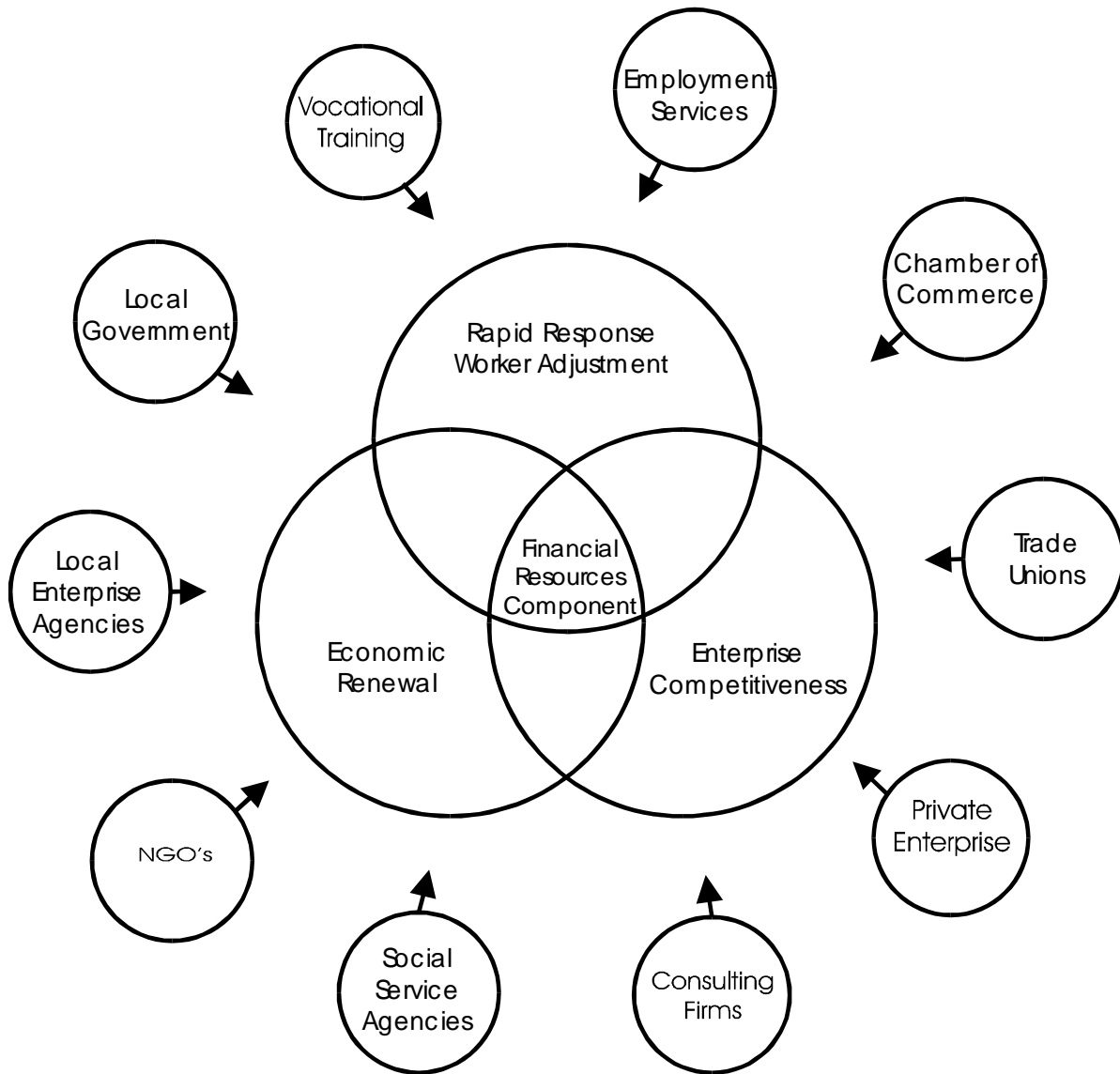
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<sup>1</sup> The ILO work in local economic development in the CEE region began in June 1993 with the holding of an international workshop: Local Employment and Economic Development Strategies, Aarhus, Denmark, 28-30 June 1993. This workshop led to the development of a regional LED project funded jointly by the ILO and UNDP, which started in 1994 with 8 pilot projects in Central and Eastern Europe and Commonwealth of Independent States.

restructuring and privatization on workers and their communities in addition to basic labor measures such as employment services, unemployment insurance, and retraining assistance.

Chart 1

**USDOL Model for worker, community, and enterprise adjustment  
in Central and Eastern Europe**



Managing economic restructuring to  
compete in a global economy

When these four components are used in an integrative, systematic way in concert with other active labor measures, they can reduce the economic and social costs of adjustment and ease the transition to a market economy.

Equally important, the use of these four specialized adjustment components helps enhance decentralization and democratization efforts in CEE countries by: (1) emphasizing active worker participation in planning and implementing worker adjustment programs; (2) emphasizing grassroots participation in community assessment, planning, and implementing of economic renewal strategies; and (3) building labor-management partnerships that engage in organizing and implementing projects in restructured enterprises to improve their global competitiveness.

However, experience suggests that to achieve the best adjustment and democratization results, these four components must be organized and integrated so that they operate in *non bureaucratic* ways and use new concepts and innovative techniques that are very different from those used in most traditional public sector labor market institutions and social service agencies in these countries.

This section outlines the basic features of each adjustment component and the procedures that are being used to implement them in Central and Eastern Europe. Chart 2 provides a summary of the objectives and procedures of each of the four components.

## **1. Worker Adjustment Component**

The worker adjustment component is the first component to be implemented. It is initiated when a formal announcement is made that an enterprise will be privatized or restructured. The worker adjustment component helps workers displaced by enterprise restructuring, downsizing or closing to find new jobs or obtain retraining and other types of labor redeployment assistance.

A team of highly skilled rapid response or industrial adjustment (IA) specialists organized as an Industrial Adjustment Service or Rapid Response Team provides information about restructuring and privatization programs and the types of assistance and services available to management, unions and workers in enterprises scheduled for restructuring. IA specialists also provide technical assistance to help develop and implement effective labor redeployment strategies.

Upon learning that an enterprise is scheduled for restructuring, IA specialists meet with enterprise managers and union representatives (or worker representatives if there is no union) to assess workers' needs and interests in participating in specific worker adjustment programs available through the Ministry of Labor (MOL), other public agencies and non-governmental organizations (NGOs). They also meet with community leaders to assess the impact the restructuring will have on the community and identify community resources to help the workers during the adjustment process and appropriate service providers to deliver the needed services. Based on their assessments, the IA specialists develop a plan to provide active reemployment measures to help the workers obtain new jobs.

## Chart 2

# USDOL Adjustment Model objectives and procedures

### 1. Rapid Response Worker Adjustment Component

**Objectives:** *Facilitate the transition of workers to new jobs and careers. Reduce unemployment.*

**Process:** *Industrial Adjustment (IA) specialists work with managers, workers and community leaders to assess adjustment needs of workers, develop a strategy and plan to provide transition services, and mobilize resources and service providers to deliver them.* Whenever possible, labor-management adjustment committees are organized to direct the adjustment process and help dislocated workers find jobs.

### 2. Community Economic Renewal Component

**Objectives:** *Build community partnership to improve business environment, strengthen the local economy and create jobs for displaced workers.* Rebuild the economic foundation and increase citizen participation in local economic development efforts.

**Process:** *Use a broad-based citizen task force to conduct an economic assessment and planning effort for the community.* IA specialists invite business and community leaders to participate in a structured economic renewal program to help them strengthen their local economies and create more jobs. Community workshops are conducted to help residents assess the economic renewal needs, write a strategic plan, develop projects, and consider starting an economic development organization.

### 3. Enterprise Competitiveness Component

**Objective:** *Build labor-management and employer-training center partnerships to strengthen enterprise competitiveness and preserve and create jobs.*

**Process:** *Help employers and workers organize labor-management partnerships and productivity improvement/cost saving projects. Conduct Training for Partnership and Interest-based Problem-solving workshops, and Quick Start (QS) training.* IA specialists invite management and labor leaders to jointly participate in workshops and other activities specifically designed to help them cooperate to strengthen their enterprises' competitiveness and preserve jobs. IA QS specialists work with employers and vocational training centers to design and provide specific training for existing or unemployed workers to meet the needs of the business.

### 4. Financial Resources Component

**Objective:** *Provide financial resources to accomplish essential rapid response worker adjustment, economic renewal and enterprise competitiveness activities.*

**Process:** *Suitable mechanisms are established to disburse financial resources in a timely and fiscally responsible manner:* (a) to the Industrial Adjustment Service unit to carry out its work of pre-layoff planning, organizing and delivering basic adjustment services (including organizing labor-management adjustment committees, economic renewal workshops, Quick Start and PI/CS projects, etc.), and (b) to hire contractors (vocational training centers, NGOs, and other service providers) to provide vocational training and other major adjustment services.

An important part of the worker adjustment component is the labor-management adjustment committee (LMAC). When appropriate and acceptable to the parties, IA specialists assist workers (and their union if one exists) and enterprise managers to organize and use a LMAC as part of the worker adjustment process. The LMAC is comprised of equal numbers of management and worker representatives and usually a neutral chairperson from the community. The LMAC members develop a list of criteria for selecting the chairperson and the qualifications they would like that person to bring to the task. With the IA specialist's assistance, the LMAC selects the chairperson. The chairperson provides leadership, organizes the committee's work, facilitates the group's discussions, and assigns tasks.

The primary objectives of LMAC's are to develop in great detail the employment alternatives available to displaced workers and to provide or obtain the services necessary to help them find new jobs. The mission of the LMAC, acting in concert with enterprise management, union, local MOL or job service offices, and the community, is to help the displaced workers obtain satisfactory jobs in the shortest possible time. For the effort to be successful, all stake-holders in the enterprise (managers, workers, and the community) must assume appropriate responsibility for the outplacement effort.

The work of the LMAC includes conducting surveys to determine worker needs, planning and organizing "in-plant" pre-layoff services, establishing an outplacement center in the plant if one is needed, and arranging for the delivery of post-layoff employment and training services to workers being displaced -- including job search training, job development, job placement, self-employment help, vocational counseling, retraining, financial planning, remedial education, entrepreneurship training, and other forms of employment assistance.

The LMAC establishes its own specific goals, objectives, and procedures and moves as fast as reasonably possible to accomplish them. When the LMAC completes its work, the chairperson prepares a final report for the IAS that assesses the committee's work and gives a detailed account of the results of the adjustment effort. The LMAC is then disbanded.

The IA specialist is an ex-officio member of the LMAC, serves as a staff support and technical resource person, and arranges for the chairperson to receive suitable remuneration for chairing the LMAC. The IA specialist orients the LMAC members to their tasks and trains them in group processes. IA specialists also coordinate with other MOL or job service staff to see that displaced workers are provided with all available employment services and that their eligibility for income support programs is established.

In situations where organizing a LMAC is not possible, the IA specialist works with representatives of management, workers, employment service, community and service providers to plan and organize the timely delivery of training, job placement and other adjustment services for the displaced workers.

## **2. Community Economic Renewal Component**

The community economic renewal component helps communities and regions experiencing

restructuring, downsizing or closing of enterprises to develop and use a systematic business growth and job creation strategy to begin or expand their local economic development efforts.

IA specialists work with government, business, and labor leaders in communities experiencing economic restructuring and privatization to help them better understand local economic development (LED) principles and the processes that other communities have used to revitalize their economies. These principles and processes include creating a new sense of “community” and direction in the face of serious economic threats, developing a strategic plan to guide community economic renewal efforts, identifying suitable projects to begin the development process, and gathering information needed to organize a strong economic development organization to promote economic renewal on a continuing basis.

The LED process starts with IA specialists inviting local government, community and business leaders and other people in affected communities to participate in a series of four grassroots participative workshops to help them assess their situation, design definite blueprints for local economic renewal, generate project ideas and select suitable projects for further development and implementation.<sup>2</sup>

Ψ **Workshop A, Analyze Local Business Factors**, helps the participants analyze the factors (e.g., access to capital, business environment, infrastructure, human resources, and quality of life) that affect business conditions in their communities

Ψ **Workshop B, Analyze Economic Renewal Principles**, helps the participants understand and use the four proven economic renewal principles to revitalize their local economies: (1) plug the leaks, (2) support existing businesses, (3) encourage new enterprise creation; and (4) recruit compatible new businesses

Ψ **Workshop C, Generate Project Ideas**, helps the participants generate specific economic renewal project ideas

Ψ **Workshop D, Evaluate Project Ideas**, helps the participants evaluate the high priority project ideas and choose projects to initiate in their communities

**Output of workshops is a “Blueprint for Action”** -- one or more specific economic renewal projects that the community can implement

Communities completing the workshop series are invited by the IA specialist to prepare a proposal detailing the additional assistance they need to further their economic renewal efforts. In that proposal they may set out how they plan to implement a project, complete a strategic plan, request support from the financial resources component to carry out their proposed project, or convert their ad hoc planning group into a permanent economic development organization to

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<sup>2</sup> For a description of the workshops see Chapter 3, “Using community workshops to plan economic renewal,” in Gary B. Hansen, *A Guide to Entrepreneurial Initiatives for Local Economic Development, Part I: Planning, organising, and implementing economic development programmes* (Geneva: ILO/UNDP LED Programme, March 1996), pp. 27-102.

carry on the LED process. Communities whose proposals are approved receive grants from the financial resources component to help them carry out their economic renewal projects.

### **3. Enterprise Competitiveness Component**

The enterprise competitiveness component helps enterprises undergoing restructuring and downsizing, as well as other enterprises in the impacted community, to become more productive and competitive in the global economy so that they can provide more secure and better-paying jobs for their workers. This component does so by:

- developing labor-management partnerships to establish high-performance workplaces and increase their competitiveness;
- encouraging restructuring employers and their unions to use in-plant labor-management committees to organize efforts to reduce costs, streamline operations, and improve enterprise productivity;
- developing small business networks to enhance global competitiveness; and
- improving human resources in the enterprises.

IA specialists accomplish these objectives by:

- helping restructuring enterprises to develop strategies that improve human resources;
- providing “Training for Partnership”<sup>3</sup> workshops that teach managers, workers, and unions in affected enterprises and communities the techniques that build cooperative partnerships, strengthen business enterprises, and generate high performance workplaces;
- conducting “Interest-based Problem-Solving”<sup>4</sup> and PI/CS workshops;<sup>5</sup>
- helping restructuring employers and their local unions establish plant-level LMC- directed PI/CS projects;
- helping employers link their workplace concerns, needs, and resources with the training and educational capabilities of the technical and vocational education systems, and using Quick Start Training<sup>6</sup> to upgrade their workers; and
- assessing the need and opportunity for inter-firm cooperation and collaborative networks of small companies in communities or regions to help them maximize their joint competitive advantage in the global marketplace.

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<sup>3</sup> The Training for Partnership series of workshops consists of five sequential workshops which help labor and management establish a new partnership relationship. The series of workshops was developed by the U. S. Dept. of Labor’s Office of the American Workplace in the early 1990s.

<sup>4</sup> The success of the interest-based processes in labor relations led to the demand for a generic version of the process. The USDOL Academy responded by developing the Interest-based problem Solving workshop. This workshop is a two day program designed to teach the participants the IBPS process for use in a variety of settings.

<sup>5</sup> Workshops conducted by the IA specialists to explain to employers and union leaders how to organize a labor-management committee-directed productivity improvement/cost saving project in their plant.

<sup>6</sup> Quick Start Training, or Custom Fit Training as it is called in the U. S., is used as part of enterprise adjustment by providing short-term customized training to workers in new businesses, expanding businesses, or businesses needing to be revitalized—such as businesses that are in danger of losing their competitive edge because of outdated equipment, technology, or knowledge and skills of their workers.



IA specialists notify management and workers in restructuring enterprises of the training, technical assistance and services available through the enterprise competitiveness component. Enterprises interested in establishing a L-M partnership, undertaking LMC-directed PI/CS projects, launching a Quick Start training project, or setting up a small business network are provided workshops, technical assistance, and resources to help them develop partnerships and networks, and carry out proposed PI/CS and Quick Start projects approved by the IA specialist and the financial resource component.

Quick Start training provides short-term customized training to workers in new businesses, expanding businesses, or businesses needing revitalization, such as businesses in danger of losing their competitive edge because of outdated equipment, technology, knowledge or workers' skills. The IA specialist, in cooperation with the vocational training institutions, helps employers organize specially tailored training programs to teach workers the needed skills. An IA Quick Start training specialist conducts the training needs analysis, develops a training guide for each job or skill, and then arranges for the training. The employer agrees to hire or retain the workers who have been specially trained to meet the enterprise's needs.

Training for Partnership (TFP) workshops are designed specifically to help labor and management leaders establish cooperative relationships to improve the competitiveness of their enterprises in the global economy. The TFP series consists of five workshops to help labor and management establish partnership structures that involve active participation by representatives of both parties. An IA specialist discusses the TFP concepts with managers and unions in restructuring enterprises. If they are sufficiently interested and want to proceed, a TFP trainer conducts the workshops and helps the parties establish a partnership for competitiveness.

The objectives of the PI/CS committees are to strengthen the economic viability of enterprises and to preserve jobs. To do so, the IA specialist provides technical and financial assistance to employers and enterprise unions desirous of using this approach as part of their industrial adjustment process. Upon learning of problems that can be resolved by the LMC-directed PI/CS process, IA specialists help the parties identify project objectives, organize committees, find suitable neutral chairs (if needed) to guide the committee activities, identify specialized consultants (if needed), and monitor the projects.

Interfirm cooperation and collaborative networks are groups of small companies in a community or region that cooperate when it is to their competitive advantage. These business networks operate from the bottom up in ways designed to maximize their joint competitive advantage in the marketplace. Business networks among firms help "expand their markets, increase their value added or productivity, stimulate learning and improve their long term market position."<sup>7</sup> IA specialists help firms in a community or region learn about business networks, explore the different kinds of networking opportunities, and obtain the expertise to help set up a network if they are interested in pursuing this option.

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<sup>7</sup> See Chapter 11 in *A Guide to Entrepreneurial Initiatives for Local Economic Development* for more information about small business networks.

#### 4. Financial Resources Component.

The financial resources component is implemented by the creation of a Labor Redeployment or Social Investment Fund (SIF) or placing resources for the adjustment project under the direction and control of the Industrial Adjustment Service or the agency that directs the labor redeployment component of the economic restructuring and privatization effort. This component provides resources to finance the two essential parts of adjustment: (1) operating the Industrial Adjustment Service and conducting basic pre-layoff planning and other adjustment work by its IA specialists -- organizing and facilitating LMACs, LED workshops, TFP workshops, Quick Start training, plus providing other pre-layoff and basic adjustment services as needed; and (2) making contracts or grants to vocational training institutions, NGOs and other organizations to provide more extensive adjustment services and vocational training programs.

Types of adjustment activities supported by the financial resources component include:

- *Rapid Response Worker Adjustment:* pre-layoff planning and basic worker adjustment activities, LMAC expenses (neutral chair, surveys, etc.), vocational counseling, workers' retraining, job clubs, job search workshops, etc.
- *Economic Renewal:* community economic renewal workshops, selected economic renewal projects, grants to start economic development organizations, small business incubators, business information centers, etc.
- *Enterprise competitiveness:* Training for Partnership workshops, LMC-directed PI/CS projects, Quick Start training programs, Interest-based Negotiations and Problem Solving workshops, etc.

### III. Evolution of the USDOL Adjustment Model

This author conceptualized the USDOL model for facilitating worker, community and enterprise adjustment in CEE countries after reviewing adjustment programs carried out in North America over the past 20 years and by participating in training and technical assistance activities conducted by the USDOL and other international agencies in several CEE countries undergoing economic restructuring and privatization from 1993 to 1997.<sup>8</sup> It was concluded that *a comprehensive strategy, rather than narrowly focused or piecemeal adjustment approaches, can achieve more successful worker, community, and enterprise adjustments in CEE countries undergoing economic restructuring and privatization—and lay the foundation for a permanent adjustment mechanism to deal with these issues in future years.*

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<sup>8</sup> The author is also engaged in a documentation project of the USDOL's Labor-Management Relations Projects in CEE countries. These projects are part of the USDOL's Labor Market Transition Assistance for Central and Eastern Europe funded by USAID under the SEED Act. The first paper resulting from this work is: Gary B. Hansen, "Introducing non-adversarial industrial relations concepts in Central and Eastern Europe: The FSO Case in Poland," Paper prepared for the International Industrial Relations Association Fifth Regional Congress, Dublin, Ireland, 26-29 August 1997.

## North American contribution to the adjustment model.

Economic restructuring experience in North America and Western Europe demonstrates that: (a) rapid response and early mass layoff and plant closing intervention increase the probabilities of successful worker adjustment; (b) involving workers directly in the development and operation of adjustment projects helps them cope with job loss and find employment; [c] labor-management adjustment committees (LMACs) are one of the most effective and economical methods for carrying out adjustment processes; (d) direct linkages with community economic development help communities to expand the job base and impacted workers find jobs; and (f) enterprise competitiveness projects help threatened enterprises cut costs and increase productivity to preserve and create new jobs.

**Rapid Response Worker Adjustment.** Canada first used rapid response techniques, industrial adjustment specialists and LMACs to organize worker adjustment projects in the 1960s. Employers and unions in the United States began using them in the early 1980s to deal with major economic restructuring resulting in substantial numbers of mass layoffs and plant closings.<sup>9</sup> Ford and the United Automobile Workers Union successfully used LMACs to assist workers when they closed their San Jose Assembly Plant and Sheffield Aluminum Casting Plant in 1983.<sup>10</sup> Later, in 1985, the USDOL sponsored the Canadian-American Project with the National Governors Association to test the rapid response concepts on a larger scale. As a result of these positive experiences the United States Congress incorporated rapid response and LMAC concepts in the 1988 Economic Dislocation and Worker Adjustment Assistance Act.

A study of the LMAC-directed worker adjustment projects by the U. S. General Accounting Office found that four factors contribute to the success of dislocated worker projects:<sup>11</sup>

1. **Respond rapidly.** Facilitate early intervention by beginning planning before the layoff occurs and by informing workers of their reemployment assistance options.
2. **Involve workers in the adjustment process.** Tailor assistance strategies to workers by involving them in planning the project, providing oversight and directing assistance to their fellow workers.
3. **Coordinate service delivery.** LMACs serve as a focal point for planning and providing a communication link between workers and service providers.
4. **Establish on-site assistance centers.** Provide encouragement to dislocated workers by establishing on-site assistance centers to maintain personal contact with them and sponsor other support activities.

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<sup>9</sup> For an overview of the Canadian IAS and one early U. S. approach to industrial adjustment see Gary B. Hansen, "Services to Workers Facing Plant Shutdowns: California and Canada," *International Journal of Manpower*, Vol. 7 no. 1, 1986, pp. 35-52. For some background on the events leading to the development of the American system of worker adjustment see: Gary B. Hansen, "Layoffs, Plant Closings, and Worker Displacement in American: Serious Problems that Need a National Solution," *Journal of Social Issues*, Vol. 44 No. 4, 1988, pp. 153-172.

<sup>10</sup> Gary B. Hansen, "Ford and the UAW Have a Better Idea: A Joint Labor-Management Approach to Plant Closings and Worker Retraining," *The Annals of the American Academy*, Vol. 475 (Sept. 1984), pp. 158-174.

<sup>11</sup> *Dislocated Workers: Labor-Management Committees Enhance Reemployment Assistance*. (Washington, D. C.: USGAO, November 1989.)

The GAO study also found that two additional factors influence the outcomes of committee efforts:

1. **A strong state leadership role.** State rapid response worker adjustment specialists establish LMACs, regularly attend all committee meetings and guide committee activities. They help build effective working relationships within committees and with local service providers by explaining the approach, sorting out roles and responsibilities and resolving problems.
2. **Committee composition and sustained involvement.** Effective LMACs draw their membership from persons employed at the affected plant, including dislocated workers. Adequate numbers of committee members are needed to carry out the very time-consuming committee activities -- planning the assistance strategy, maintaining contact with workers and helping dislocated workers find new jobs. Effective committees often function from eight months to one year after layoffs occur. Replacing committee members who are no longer available to help is essential.

A contemporary report on enterprise restructuring in OECD countries found that layoff assistance projects need:<sup>12</sup>

- Adequate advance notice;
- Early intervention and rapid response;
- Local level cooperation to maintain communication links with affected workers;
- Temporary intensive on-site services; and
- Linkages to community economic development.

The OECD list is similar to the GAO criteria except for the addition of linkages to community economic development. These two reports highlight the importance of the first two components of the USDOL Adjustment Model – rapid response worker adjustment, and community economic renewal—to successful worker and community adjustment.

Use of the Rapid Response Worker Adjustment component in the United States has been very successful. Thirty percent of the unemployed nationally find jobs within six months; when LMACs are used the figure jumps to between sixty and seventy percent.<sup>13</sup> Follow up studies of displaced workers have found that the workers and their families experience fewer social pathologies (suicides, alcohol and drug abuse, spouse and child abuse, etc.), greater numbers of workers use training and other adjustment services, and they have much more positive attitudes about their former employer and trade union as a result of participating in an LMAC-directed industrial adjustment process.<sup>14</sup>

**Community Economic Renewal.** Community economic renewal and local economic development became very important in the United states in the 1970s and 1980s for three reasons: First, researchers found that small businesses, not large ones, generate most of the new jobs.

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<sup>12</sup> Jolanta Hess, *Managing Large Scale Labor Restructuring*. (World Bank Working Paper, September 1994)

<sup>13</sup> Attachment to Email from Teresa Holdren, Coordinator, Ohio Dislocated Worker Unit, to Gary B. Hansen, June 6, 1997

<sup>14</sup> “Discussion: EDTP” An assessment of the UAW-Ford Joint Approach to the Training and Retraining of workers), *Labor Law Journal*, Vol. 36 August 1985, pp. 548-553.

Second, the growing number of mass layoffs and plant closings caused by economic restructuring in the early 1980s created serious problems for small communities. Third, the need to reduce the national debt, disillusionment with national politicians, and increased skepticism about the federal government's ability to solve social and economic problems. With less federal money to go around and more problems to solve, state and local governments had to rely more on their own resources and initiative.

As a result of these factors, economic development in the U. S. focused on *local* aspects of the process—things that could be done at state and local levels with modest resources and by developing public and private partnerships to carry out renewal and development planning and projects. As a result, a number of strategies and techniques to foster and promote local economic development were proposed and tried. Those that succeeded were widely circulated and used to foster economic renewal and development in other communities. Soon, worker adjustment practitioners and policy makers began to recognize the importance of linking worker adjustment directly with community and local economic development efforts. Today, active economic renewal and development programs are operating in tandem with worker adjustment programs at the local level throughout the United States.

**Enterprise Competitiveness.** The importance of the third component, enterprise competitiveness (EC), was recognized as being essential to mitigate the impacts of economic restructuring in Canada in the 1970s and in the U.S in the early 1980s.

The Canadian IAS developed an enterprise adjustment component as part of its industrial adjustment process in 1974 when their mandate was expanded to encompass human resource planning for plant expansions, high turnover or low productivity that might threaten the competitiveness of an enterprise and workers' jobs. Subsequently, except in times of recession or major restructuring, Canadian IAS specialists have spent about 70 percent of their time working on enterprise competitiveness projects.

In the United States, similar efforts to broaden the adjustment program to include enterprise competitiveness components were undertaken in the early 1980s with the encouragement and support of the USDOL. Enterprise competitiveness concepts were first introduced by individual employers and their unions to preserve jobs and then promoted by several states in the U. S. as part of their nascent industrial adjustment programs. Because of the positive results achieved, enterprise competitiveness concepts were subsequently incorporated into the 1988 Economic Dislocation and Worker Adjustment Assistance Act passed by the U. S. Congress. Unfortunately, not all states make full use of its EC provisions, but those that do find them to be very helpful in preserving and creating jobs.<sup>15</sup>

**Financial Resources.** In the United States, the federal and state governments have provided substantial funds to pay for the rapid response worker adjustment, economic renewal, and enterprise competitiveness components, first on a demonstration basis, and, after 1988, through

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<sup>15</sup> See: Gary B. Hansen, *Preventing Layoffs* (USDOL, 1986, 1988); Sally Klingal and Ann Martin, *A Fight Chance: New Strategies to Save Jobs and Reduce Costs* (ILR Press, 1988)

congressional appropriations under such legislation as the Economic Dislocation and Worker Adjustment Assistance Act and other laws. States have provided funds for Quick Start training and other enterprise competitiveness programs. The Canadian government finances the Canadian Industrial Adjustment Service through national parliament appropriations.

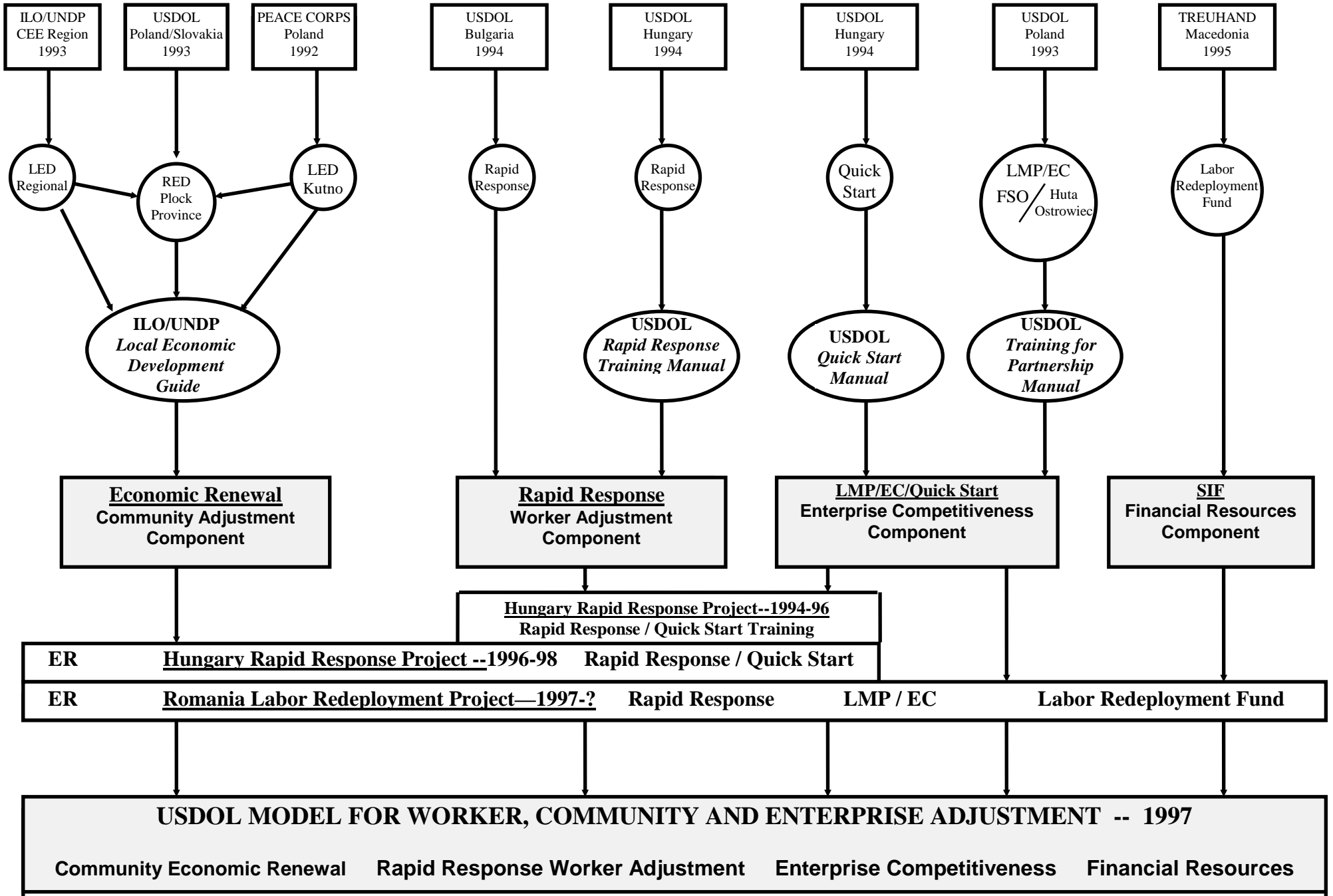
### **Introduction of the four adjustment components in CEE countries.**

Chart 3 shows the project origins in CEE countries of the four adjustment components comprising the USDOL Adjustment Model.

**Bulgaria, Hungary and Poland: Rapid response worker adjustment.** Two early attempts to introduce worker adjustment components into CEE countries had little impact because governments lacked the will to undertake needed measures to restructure and privatize their economies. USDOL conducted a worker adjustment training project for the Ministry of Labor in Bulgaria in 1994, but the government decided not to proceed with the proposed economic restructuring and privatization program. Consequently, the worker adjustment component was never fully developed nor implemented. In 1995, as part of a World Bank funded Employment Promotion and Services Project in Poland, the British Department of Employment provided training on worker adjustment techniques to the staff at local employment offices of the Polish Ministry of Labor and Social Policy. Once again the government did not carry out the restructuring and privatization program so this component was not fully implemented nor widely used.

The USDOL rapid response worker adjustment component was introduced in Hungary in 1994. Unlike other countries in the region, Hungary moved forward with its restructuring and privatization program. By early 1994 there was a real need for worker adjustment services. Beginning in July 1994, rapid response worker adjustment techniques emphasizing the use of LMACs were tested by the USDOL's Hungary Rapid Response Project at five pilot sites. The USDOL hired Maria Heidkamp, an experienced Rapid Response Specialist who had directed the

**Chart 3 -- Evolution of the USDOL Adjustment Model 1993-1997**



Canadian-American Rapid Response Project for the National Governors Association in the mid-1980s, to be the full-time on-site Chief Technical Advisor for the project. Under her leadership the rapid response worker adjustment component using LMACs was successfully implemented at the five pilot sites. As a result of this success, and the growing need for worker adjustment services, the project was expanded nationwide in March 1995.

During the Hungary Rapid Response project's first two years, 24 LMACs were established to help 8,313 workers, and 4,313 of them considered themselves active job seekers. Forty-five percent of this group found new jobs before they became eligible to register as unemployed. Since that time 22 additional LMACs have been organized.

In one study of five sites in one county, the National Labor Center (NLC) found that 43 percent of the active job seekers who completed the surveys and asked for LMAC help credited the committee with helping them find new jobs. The costs were estimated at 2 million Hungarian forints (US\$10,000) for staff, in-kind services and a training project. But the unemployment costs for one year of the 43 percent who found jobs through LMAC services would have been approximately 30 million forints (US\$160,000).<sup>16</sup>

Another survey in 1997 by the NLC in several counties reported that 97 percent of the workers completing the survey said they would recommend the LMAC services to others in similar situations and would use the services again if needed. Eighty-six percent said the LMAC provided them with useful services during their notice period, and 73 percent who found new jobs credited the LMAC with helping them find them. Finally, and most importantly, the survey showed that where there was a Rapid Response LMAC the average time it took workers to find new jobs after notification of layoff was 130 days. Data from a control group where there was no LMAC found the average time to be 265 days. Thus, the data indicates that the Rapid Response LMAC model can help reduce the number of individuals who face long-term unemployment. The savings in terms of unemployment costs based on this time difference was estimated at 98 million Hungarian forints (roughly US\$530,000).

**Poland, Slovakia and Hungary: Economic Renewal.** The community economic renewal component of the USDOL model developed from two parallel pilot local economic development (LED) projects carried out by the USDOL and the ILO in Central and Eastern Europe and the work of an American Peace Corps Volunteer.

The first LED project was carried out in Poland and Slovakia in 1993 by the USDOL as part of a larger employment transition project funded by the USAID. As part of this project, a "handbook" was prepared by an American economic consulting firm to help several pilot communities or regions in each country conduct local economic development planning workshops.<sup>17</sup> The handbook helped them assess their economic needs and organize local or regional planning efforts, including regional planning councils or regional development organizations.

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<sup>16</sup> E-mail from Maria Heidkamp to Gary B. Hansen, May 14, 1997.

<sup>17</sup> Economic Innovation International, Inc. *Managing Regional Economic Restructuring Step by Step: A Handbook for Central European leaders*. Prepared for the U. S. Dept. of Labor, Office of Foreign Relations, 1993.



Although the USDOL regional LED project never got beyond the pilot phase because of serious organizational and personnel problems, the LED materials prepared for the project were used effectively at several sites in Poland during 1993-1994 and 1994-1995. Hanna Ruszczyk, an American Peace Corps Volunteer, used the materials to develop a successful LED plan in Kutno, Poland, and later she used them to write a strategic plan in the Plock Province, Poland, while she was working under the auspices of the ILO-UNDP.

The second LED project in Central and Eastern Europe started as a joint ILO/UNDP demonstration project started in 1993. It was directed by Angel Vidal Alonso and Dorthe Nielsen Short of the ILO COOP Branch. They conducted a variety of local development activities at pilot sites in eight CEE countries and the Commonwealth of Independent States. The ILO/UNDP project focused on helping local governments in selected areas develop strategies to enter into partnerships with national and international partners and “to be instrumental in providing answers to solving the increasing unemployment and deteriorating living and working standards.”<sup>18</sup> Hanna Ruszczyk, the ILO/UNDP project coordinator in Poland, successfully facilitated the development of a regional plan for the Province of Plock, Poland, by a local task force in 1995.

As part of the ILO/UNDP LED Project this author was asked to prepare *A Guide to Entrepreneurial Initiatives for Local Economic Development* (hereafter called the *LED Guide*) to help community leaders and local economic development specialists in Central and Eastern Europe develop and implement LED programs.<sup>19</sup> This comprehensive two volume guide, completed in March 1996, is becoming a widely used resource for generating community-level economic renewal activity in the region. The *LED Guide* includes practical examples and techniques with step-by-step instructions about how to implement them. These techniques are taken from the USDOL and the ILO/UNDP projects in CEE countries and successful worker and enterprise adjustment programs in North America and Western Europe. The *LED Guide* also includes detailed information about how to conduct community workshops and organize economic renewal programs to expand business opportunities and create jobs.<sup>20</sup>

**Introducing the community economic renewal component in Hungary.** Drawing on the previous LED experiences of the USDOL and ILO/UNDP projects in Poland and Slovakia, and using the *LED Guide* prepared for the ILO/UNDP project, the community economic renewal component was systematically implemented by the author, Marion T. Bentley and Maria Heidkamp in June 1996 as the next step of the Hungary Rapid Response Project. The first phase of the Hungary economic renewal (ER) component, conducting four ER workshops in 14 geographic locations with representatives from one to forty-two communities participating at

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<sup>18</sup> *Sustainable Human Integrated Economic Local Development. Regional Programme for Central and Eastern Europe, CIS and Baltic States (SHIELD). Final Report.* Geneva: ILO/UNDP, 1995.

<sup>19</sup> Gary B. Hansen, *A Guide to Entrepreneurial Initiatives for Local Economic Development. Part I: Planning, organising, and implementing economic development programmes. Part II: Economic development opportunities handbook.* (Geneva: ILO/UNDP LED Programme, International Labour Office, March 1996).

<sup>20</sup> The Economic Renewal Workshop Model used in the *LED Guide* was prepared by Barbara Coles of the Rocky Mountain Institute and published by the U. S. Small Business Administration in 1989.

each location, was completed in June 1997. From 25 to 70 participants attended each workshop; typical attendance averaged 50-55. The ER workshops help catalyze, train and organize the local community leaders to plan and implement economic development projects in a systematic way.<sup>21</sup>

While it is too early to obtain information about substantive outcomes from the Hungary LED project, the first reports are very encouraging. Several projects are already being implemented in Gyomaendrod, one Hungarian community that participated in the Economic Renewal workshops. The local ER task force has established an “Entrepreneurs’ House” that has several units, including a new branch of the Local Enterprise Agency (LEA) in Gyomaendrod. In addition, they have hired a local area manager for their group, and are helping to launch a downtown shopping center—one of the project ideas generated in their workshops. The municipality is paying to implement the projects in Gyomaendrod, although the LEA and the employer organizations are providing the operating costs for the LEA branch office.

Task Force members in Gyomaendrod reported that the ER workshops brought people together who had been either thinking about or actually working on the same sorts of projects without knowing about what others were doing. In other words, “they said this collaboration will help reduce the duplication of efforts that was going on and will make for more efficient utilization of resources.”<sup>22</sup>

In Vasvar, another community which participated in the ER workshops, the local area has recently been awarded the equivalent of US\$7000 from a development bank to pay for a local area LED manager. They are submitting a proposal to get some money from the Public Works Council for an environmental project (the idea of which came out of one of the ER workshops). This project would provide temporary employment for 100 people.<sup>23</sup>

In Tolna County, the Rapid Response LMAC that was set up to deal with layoffs at the leather factory in Simontornya has turned itself into the Simontornya Job Creation Foundation, which is now registered as an official local NGO. It is now undertaking several projects, including creation of a leather manufacturing cooperative and the establishment of a business incubator.<sup>24</sup>

**Poland and Hungary: Enterprise competitiveness.** Elements of the enterprise competitiveness component were pilot tested as part of two USDOL Labor-Management Relations training projects in Poland in 1993 and 1994 and by the introduction of a Quick Start training program at four pilot sites in Hungary in 1995.

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<sup>21</sup> For a more detailed discussion of how the LED component was introduced in Hungary see the chapter by Gary B. Hansen and Maria Heidkamp, “Innovative approaches to worker and community adjustment in Central and Eastern European countries undergoing economic restructuring and privatization: The case of Hungary,” in Marten Kuene (ed.), *Local/regional development and employment promotion in Central and Eastern Europe*, (Budapest: ILO-CEET, forthcoming 1997).

<sup>22</sup> E-mail from Maria Heidkamp to Gary B. Hansen, July 17, 1997.

<sup>23</sup> E-mail from Maria Heidkamp to Gary B. Hansen, July 24, 1997.

<sup>24</sup> Tolna County LED Projects (Simontornya, Iregszemcse, Tevel) Case Studies (USDOL Hungary Rapid Response Project, 1997).

The first enterprise competitiveness project in Poland helped the management and unions at FSO automobile manufacturing company, the country's largest auto manufacturer, establish a labor-management partnership, learn quality management techniques, and lay the foundation for a high performance workplace.<sup>25</sup> The second project in Poland helped 1,200 worker-owners of the Huta Ostrowiec Steel Mill establish a labor-management partnership in their enterprise and begin major PI/CS projects to strengthen their enterprise's competitiveness. Several years previously foreign consultants had recommended that the plant be closed. Instead, the workers and managers purchased the plant to save their jobs and began operating it as an ESOP. In 1994 they solicited the help of the USDOL. Today, the 1,200 workers and managers are still employed and the company is making a profit.

The four pilot Quick Start training programs in Hungary have enabled the country's regional vocational training centers to work closely with employers to design and run customized training courses to help unemployed workers become trained and employed. The projects also trained 615 workers at two poultry and duck processing plants, taught 58 managers and workers at a synthetic wood fiber plant about quality management concepts so they can compete in global markets, and trained several hundred workers at an automobile parts manufacturing plant the basic concepts of CNC and other advanced machining techniques so they could maintain the quality and production standards required by the multinational auto firms for whom they make parts.

**Macedonia: Labor Redeployment Fund.** Although, as noted above, USDOL adjustment projects have had USAID funds to support specific adjustment activities in CEE countries since 1993, the use of a labor redeployment fund as a separate financial adjustment component was introduced in CEE by the World Bank and the German Treuhand as part of the labor redeployment program established for Macedonia in 1995. The USDOL is also considering establishing a retraining fund or other other mechanism in Poland to provide adjustment services to coal miners who will be displaced in the Silesian region when that nation finally implements its restructuring and privatization program for major state owned enterprises.

These and other worker, community and enterprise adjustment projects in CEE countries provided the knowledge and information to conceptualize the USDOL Adjustment Model and use it as the basis for designing the labor redeployment component being implemented in Romania as part of the World Bank/USDOL/USAID Employment and Social Assistance Project approved in early 1997.

#### **IV: Implementing the USDOL Adjustment Model**

Based on the recent USDOL training and technical assistance activities in CEE countries, some important issues must be considered before implementing the USDOL Adjustment Model.

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<sup>25</sup> For more information about the FSO experience see the article referred to in footnote 8.

After reviewing the objectives of the four adjustment components and the procedures used to deliver them, two questions often arise in a reader's mind: *What is the guiding philosophy of the USDOL Model and how will it help make our society more democratic and our transition to a market economy less painful? What is the best way to organize and deliver these adjustment components—since the USDOL Model is an integrated model?*

The answer to the first question is that the underlying philosophy of the USDOL Model is to involve people in the adjustment decisions that affect them and thereby increase their ability to work together to solve problems. Thus it strengthens democracy and promotes decentralization while reducing the length and severity of the adjustment. The answer to the second question is that experience has shown that having a team of highly skilled professionals in a specially designed organization called an Industrial Adjustment Service that works directly with affected workers, employers and communities to plan and organize the delivery of needed services, accomplishes the adjustment process much more successfully.

***Understand that the USDOL Model emphasizes active worker, business, and community participation in all aspects of the adjustment process and establishes partnerships among workers, employers, government, and the community to promote economic growth.*** This model uses LMACs to involve workers in planning and organizing the adjustment services they need to make the transition to new jobs in the shortest possible time. The model uses grassroots participatory techniques and democratic approaches to help citizens assess, plan, and design a community vision and strategic plan and then select its economic renewal projects. Finally, the model emphasizes the creation of labor-management partnerships, business and training institution partnerships, and business networking as the basis for increasing enterprise competitiveness and job creation. Together these democratic, participative, and cooperative approaches strengthen democracy by decentralizing and broadening the base of decision making and the sharing of information and power.

***Organize Industrial Adjustment Service unit.*** Experience demonstrates that the delivery and outcomes of specialized adjustment services are most successful when the four components are integrated in a “rapid response unit,” “rapid intervention service” or “industrial adjustment service” (IAS) unit. The IAS unit functions best when it is quasi independent (such as the Canadian IAS) or attached to an enterprise fund (e.g., the 15 National Investment Funds created in Poland to manage a number of privatized enterprises), an NGO created for this purpose, the employment service (such as the New Jersey IAS), ministry of labor, department of community economic development (such as some state Dislocated Worker Units in the United States), or other public agency created specifically to deal with economic restructuring and privatization.

The organization and location of the IAS unit depends on the size and complexity of the privatization and restructuring program being implemented. Does the enterprise fund (e.g., the Enterprise Funds created to manage privatized firms in Poland) want to strengthen the competitiveness of firms and provide adjustment services to the workers and communities where their firms are located? What are the capabilities of an existing employment service or MOL staff to effectively organize and deliver needed labor redeployment services? What are the

political dynamics in the country undergoing privatization and how would they affect the operation and effectiveness of the IAS unit?

If at all possible, the IAS professional staff should be recruited and trained specifically for their work and provided with appropriate support structures, salaries and other benefits commensurate with their mission, professional skills and personal abilities, and the complexity of the tasks they are expected to carry out. This may be difficult to accomplish if the agency is operated within the structures of a highly bureaucratic MOL, employment service or other government agency.

***Provide the IA specialists with essential adjustment training for their work.*** A cadre of IA specialists is recruited and receives intensive training in the three basic components of adjustment work--worker adjustment, community economic renewal, and enterprise competitiveness -- plus the fundamentals of group facilitation, committee effectiveness, and other organizing and leadership skills.<sup>26</sup> Appendix A outlines the content and sources of training materials used to train the IA specialists in Hungary and Romania. In addition to their training, they need to know the administrative procedures concerning how resources will be disbursed from the financial resources component for their basic adjustment work (pre layoff planning, assessment, organizing LMACs and PI/CS committees, conducting ER workshops, etc.) and how resources will be used for contract service work (providing vocational and financial counseling, retraining displaced workers, Quick Start training, starting business incubators etc.) provided by vocational training institutions, NGOs and other organizations.

***Have “rapid response” capability.*** In addition to creating an IAS unit with IA specialists knowledgeable about the four adjustment components, successful worker adjustment is most likely to occur when the IAS operates in a “rapid response” mode. That is, the IAS responds immediately and proactively upon hearing of an impending plant closure or mass layoff. It is crucial that the Industrial adjustment (IA) specialists be trained and organized to respond rapidly to enterprise restructuring events involving significant numbers of layoffs and plant closings. It is also important (once the restructuring and privatization process is completed) to establish some form of early warning mechanism to enable the IAS to respond rapidly to employers and workers needing their assistance in the future.

***Strategically locate IA staff for effective rapid response and service delivery.*** The IAS has a small central staff that directs the overall worker adjustment effort, but most of the IA staff are physically located in IAS offices established in areas or regions undergoing significant plant closings or downsizing as part of economic restructuring and privatization programs. If attached to the employment service or MOL, they should be strategically located geographically so they can respond immediately to requests for assistance. They are assisted by other specialists who are knowledgeable about accounting, contracting and financial procedures to handle the contracting work of the financial resources component and service providers.

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<sup>26</sup> Training materials for each of the three adjustment areas have been developed to train IA specialists. These materials were developed in earlier projects in CEE countries, or are currently under development as part of the USDOL technical assistance being provided to the Romanian Labor Redeployment Program.

***Implement the four adjustment components in phases.*** The first step is to organize the IAS and recruit, train and deploy IA specialists to deliver rapid response worker adjustment services to workers and their families.

The next step is to establish the financial resources component that will provide the funds to support the work of the IAS and the retraining and other costs of the three types of adjustment services. Once the IAS and financial resources component are established, then the community economic renewal component is implemented. The final step is to implement the enterprise competitiveness component.

***If time and resources permit, conduct a pilot phase to implement each adjustment component.*** Circumstances and conditions differ in countries undergoing economic restructuring and privatization. Consequently, whenever possible, conduct a pilot phase at a small number of sites to see what problems are encountered and to make changes as needed in each adjustment component before implementing them on a nationwide basis.

***Use qualified chief technical advisors and consultant-trainers to assist in the implementation.*** Implementing the complete USDOL adjustment model in CEE countries can be a complex and difficult process, especially when working with governments and MOLs that have little experience with the adjustment problems caused by economic restructuring and privatization, or providing the basic labor market services needed in a market economy. Consequently, two things are needed to successfully use the USDOL model: first, having a full time on-site technically qualified and experienced chief technical advisor (CTA) to direct the IAS project, and second, having well-qualified and experienced consultant-trainers to create a broad-based adjustment capability in a expeditious manner. Experience demonstrates that the CTA and key consultant-trainers need to be knowledgeable about all aspects of the adjustment model and able to provide host country national and local officials with advice and guidance throughout the entire implementation process.

***Transfer ownership of the IAS and the responsibility for delivery of adjustment services to local IAS leadership and adjustment specialists as soon as feasible.*** The objective is to create an IAS capable of functioning as a permanent component of a country's labor market adjustment system. The strategy for implementing the USDOL adjustment model should emphasize that the role of the international training and technical assistance experts is to impart the essential knowledge and techniques to establish and operate an effective adjustment program to the national and local IAS staff, ES and MOL officials as quickly as possible. The role of the international consultant-trainers is a very limited one -- they are mentors, trainers and advisors, and not an expatriate staff hired to run the adjustment system from start to finish. Otherwise, there will be no permanent, qualified IAS staff to continue the work when the expatriates leave or the project ends.

***Utilize existing, competent community resources (including public agencies and NGOs) to deliver substantive training programs and services to achieve end results more expeditiously.*** The IAS and adjustment components comprising the USDOL Model are designed to minimize the costs of economic restructuring and privatization on workers, communities and enterprises,

and to build institutional capacity. This requires considerable financial and human resources. The task is even more difficult because the IAS is intended to be a small highly skilled and highly mobile non bureaucratic organization.

The IAS has some important objectives and considerable work to accomplish that cannot be achieved without the assistance of many other agencies and organizations. The IAS specialists are primarily planners, organizers, facilitators, coordinators, and motivators. They work with LMACs, LM-directed PI/CS Committees, and ER Councils or Task Forces to do some of the organizing work and provide them with technical assistance and essential training. Other institutions, NGOs and consultants need to deliver adjustment services such as retraining programs, vocational counseling and guidance, job placement, entrepreneurship training courses, Quick Start training programs, starting small business incubators, etc. Where there is a dearth of qualified NGOs and other training institutions, the IAS may need to take more responsibility for delivering adjustment services until this deficit can be overcome.

*Using only one of the adjustment components or introducing them piecemeal without understanding the dynamic and integrative nature of the full model reduces the chances for success.* Experience in Poland, Slovakia and Bulgaria shows that introducing the individual adjustment components piecemeal or without an overall strategy or a clear understanding of how all four components fit together leads to less effective programs—and even failure.

*A lack of sufficient resources and simplified financial procedures to make them available in a timely manner reduces the chances for success.* Having sufficient financial resources to do the job plus a good financial management system with simplified administrative procedures is essential to successful adjustment programs. Procedures must be flexible and provide quick access to funds for rapid response adjustment planning and pre-layoff services, and the timely delivery of programs to workers, communities and restructured enterprises.

## V. Concluding Comment

*The USDOL worker, community, and enterprise adjustment model works in Central and Eastern Europe.* USDOL-sponsored training and technical assistance in CEE countries during the past four and one-half years has provided an opportunity to use some of the specialized adjustment components developed in North America in a new context and under radically different conditions. The comprehensive adjustment model derived from this experience provides an excellent framework for promoting democracy and decentralization, and for organizing resources and services to mitigate the negative impacts of economic restructuring and privatization on workers, communities, and enterprises. It is cost effective, flexible, and readily adaptable to the local needs and situation. However, to achieve the desired results, the implementation of the USDOL adjustment model requires a firm commitment by the government, good leadership, adequate resources, a flexible non bureaucratic organizational structure, and highly skilled, self-motivated industrial adjustment specialists.

## Appendix A

### Training Manuals and Resource Materials Used to Implement USDOL Adjustment Model in CEE Countries undergoing Economic Restructuring and Privatization

#### 1. Rapid Response Worker Adjustment Component

*Rapid Response Worker Adjustment Training Manual* (USDOL, 1997)

- Rapid Response Procedures
- Establishing Labor-Management Adjustment Committees
- Coping with Unemployment
- A Guide to Managing Stress
- Dislocated Workers Workshop Participants' Guide

##### Resource Materials:

- Establishing L-M Adjustment Committees: A Handbook for State Rapid Response Specialists* (USDOL, 1991)
- Committee Effectiveness Training* (USDOL, 1989)
- Rapid Response Procedures Manual* (Dislocated Worker Unit, Oregon Econ. Dev. Dept.)
- Coping with Unemployment* (Steele Publishing Co., 1993)
- A Guide to Managing Stress* (Krames Communications, 1985)
- Dislocated Workers Transition and Adjustment Workshop: OUR PLAN FOR YOU IS WORKING* (Utah Dislocated Worker Unit, Utah Office of Job Training)

#### 2. Economic Renewal Component

*Local Economic Development: Trainers Manual* (USDOL 1997)

- Introducing local economic development
- Conducting assessments and developing strategic plans
- Using community workshops to plan economic renewal projects
- Organizations and expertise needed to achieve economic renewal
- Innovative techniques for enterprise and job creation

##### Resource Materials:

- A Guide to Entrepreneurial Initiatives for Local Economic Development* (ILO, March 1996).
- The Concept in Cooperation*, (Tompkins Institute, University College of Cape Breton, 1991)
- Early Warning: A Guide*, (Midwest Center for Labor Research, 1996)
- The Network Tool Kit: Vol. I and II*, (Regional Technology Strategies, Inc., February 1997)
- Finding and Evaluating Business Opportunities*, (Vancouver Community College, July 1991)
- Doing Business in Utah: A guide to Business Information*, (Utah SBDC, 1996)
- Know About Business Training Package* (International Training Center of the ILO, 1997)
- Venture Development Basics: A Workbook*, (Westcoast Centre for Development Mgt., 1991)
- Steps to Starting a Worker Co-op* (Center for Cooperatives, UC Davis and NW Coop Fed., 1997)
- Business Plan Pro 2.0* (Palo Alto Software, 1997)
- Employment Action: A Practical Manual*. (Commission of the European Communities, 1992)

#### 3. Enterprise Competitiveness Component



*Enterprise Competitiveness Training Manual* (USDOL 1997)

- Responsible restructuring
- Labor-management cooperation and partnerships
- Interest-based problem-solving
- Starting productivity improvement/cost saving projects
- Organizing Quick Start training programs
- Establishing a high performance workplace

Resource Materials:

*Committee Effectiveness Training* (USDOL, 1989)

*Training for Partnership Workshop Series: Trainers Manuals* (USDOL, Office of the American Workplace, 1994)

*Interest-based Problem Solving: Trainers Guide* (USDOL Academy)

*Road to High Performance Workplaces* (USDOL Office of the American Workplace, 1994)

*Labor-Management Cooperation: Trainer's Manual* (Utah Center for Productivity & Quality, Utah State University, 1994)

*Interest-based Negotiations: Trainers Guide* (USDOL, BLMRCP, 1992)

*Guide to Responsible Restructuring* (USDOL Office of the American Workplace, 1995)

*Preventing Layoffs* (USDOL, 1986, 1988)

*A Fighting Chance: New Strategies to Save Jobs and Reduce Costs* (ILR Press, 1988)

*Manual for Developing a Quick Start Project* (USDOL, Hungary Rapid Response Project, 1995)

*Quick Start Training Programs for Hungary* (USDOL, Hungary Rapid Response Project, 1995)

*Leading the Saturn Way* (Saturn and Tennessee Dept. of Econ. & Community Dev., 1993)

*Excel for GM Partners: Instructor Guide* (Saturn, 1993)

*Productivity Training Modules* (ILO, 1996)

**4. Social Investment Fund (Financial Resource Component)**