

European company restructuring practices in the twin transition

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Company restructuring practices in the twin transition

PART 1:
The database and
its methodology

PART 2:
Short term trends:
company
restructuring and
the twin transition
(2021-2024)

PART 3:
Long term trends:
offshoring and reshoring
in Europe (2014–2024)

The ERM data

- Over 30,000 job announcements recorded since 2002
- Network of correspondents (EU 27 + NO)
- Restructuring events included:
 - **creating/reducing > 100 jobs or**
 - **affecting > 10% of the workforce (in sites employing 250+)**

Restructuring events

European Restructuring Monitor (ERM)

The restructuring events database contains factsheets with data on large-scale restructuring events reported in the principal national media and company websites in each EU Member State. This database was created in 2002.



Trends in restructuring

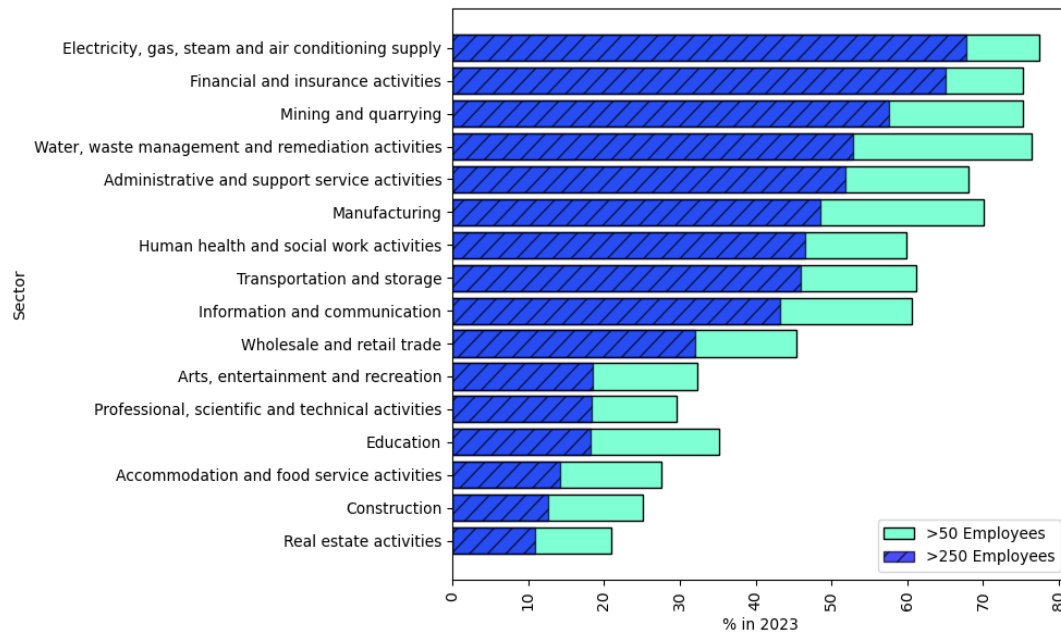
Eurofound monitors restructuring events in all Member States of the European Union on an ongoing basis. The following figures relate to the period between 20 August 2024 and 28 November 2024. You can see all summary figures by sector, country and restructuring type by clicking on the icons.



<https://apps.eurofound.europa.eu/restructuring-events>

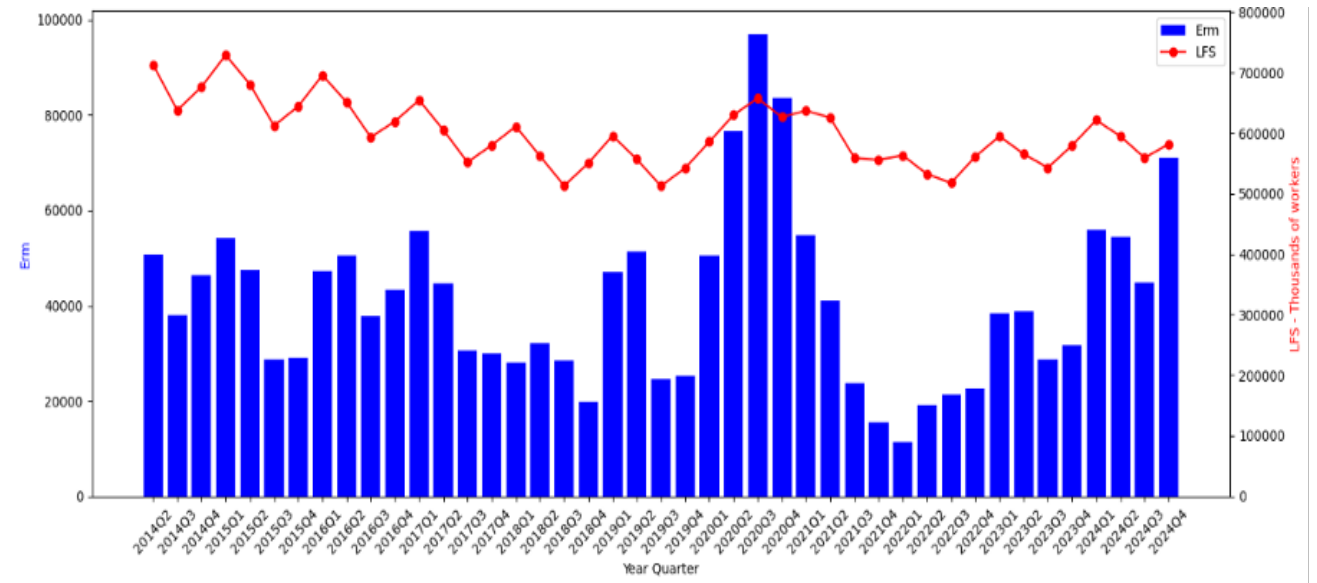
ERM methodology

% of employees working in big firms by sector, in 2023



Source: Eurostat Business Statistics

ERM job losses compared to LFS unemployment
(less than 6 months), MA (2 Quarters)



Source: Labour Force Survey, ERM

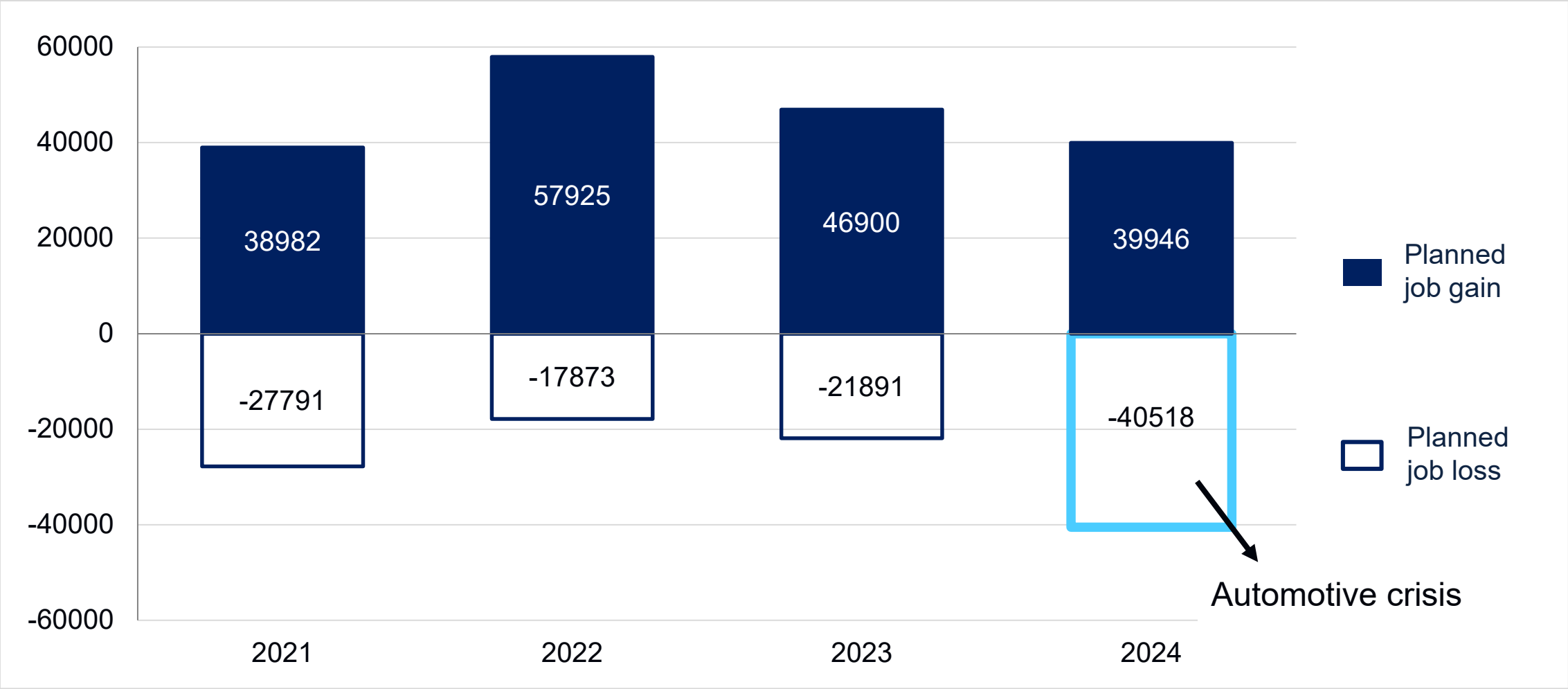
Twin transition

- Green and digital
- Obligations and opportunities

and ERM

- Text analysis
- Case-by-case checks

Job announcements referring to the **Green transition**, 2021-2024, ERM, EU-27

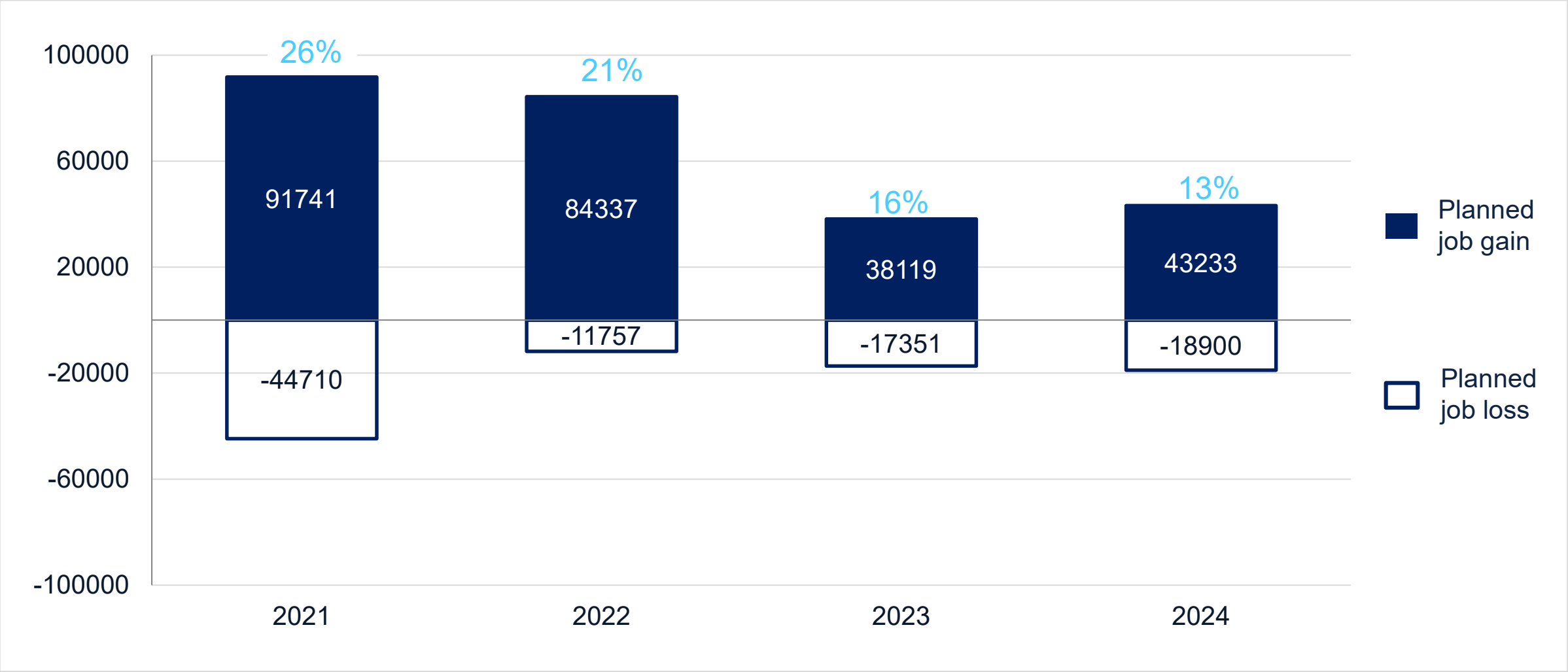


Source: ERM

Note: N:718. **20%**

More on the automotive: [Employment in the EU's automotive sector](#) | [Eurofound](#)

Job announcements referring to the Digital transition, 2021-2024, ERM, EU-27



Source: ERM

Note: N:665. Percentages refer to the share of restructurings justified by digitalisation. 19%

Twin transitions

4% of large restructuring events due to both the green and digital transition.

Green as an **aim**, digital as a **means**.

Socio-demographics

Male-dominated sectors are more impacted by the twin transition and experience more job gains.

Old age is a criterion for dismissal, while **young age** is a criterion for hiring.

Social dialogue

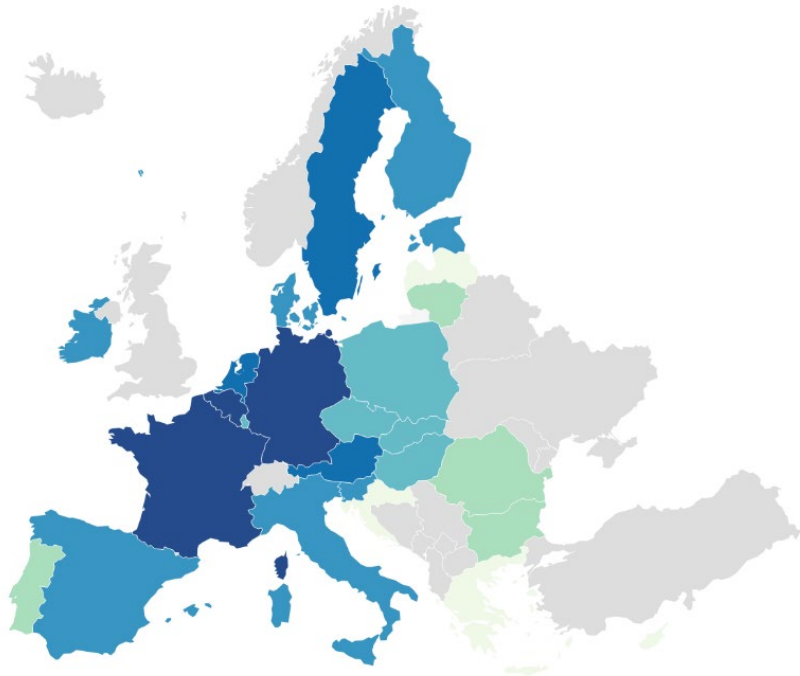
The **presence of social partners** is lower in restructurings linked to the twin transition than in other restructurings.

Involvement of social partners allows for **protective measures** for dismissed workers.

Investment in skills is essential. Yet, it is the action least implemented by social partners during large job destruction.

Offshoring announcements (2014-2024)

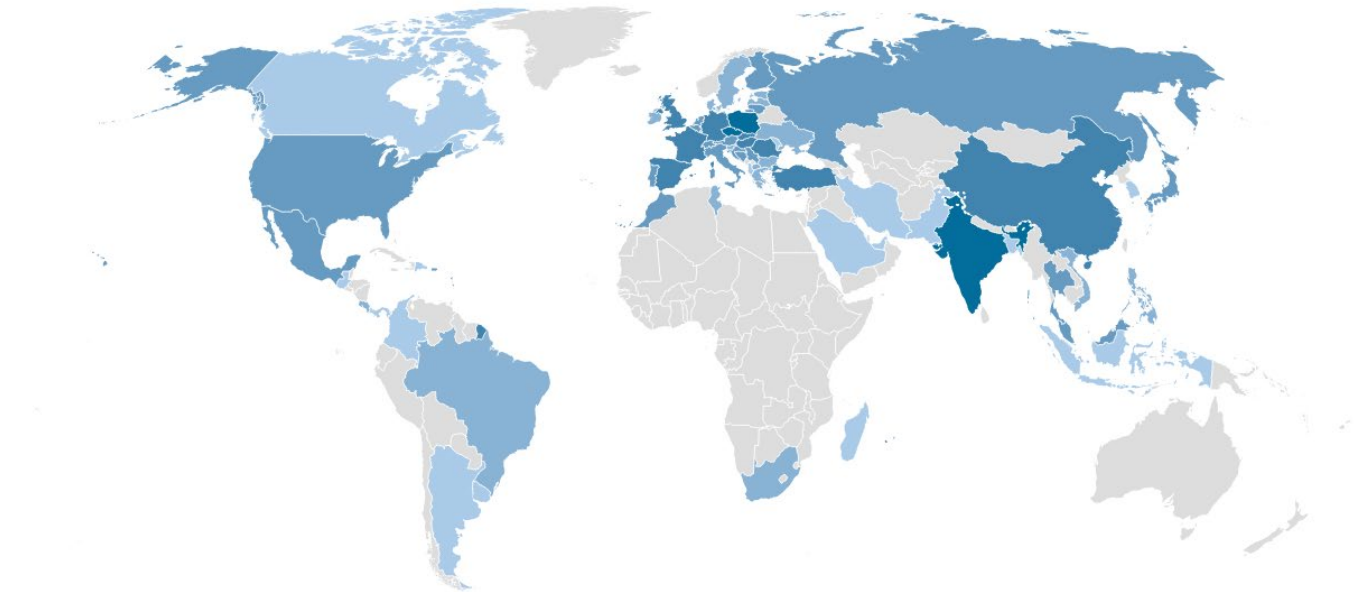
Countries affected by offshoring



Legend

< 1	1-5	5-10	10-15	15-30	≥ 30
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Main offshoring destinations



Legend

< 2	2-4	4-10	10-25	≥ 25
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Offshoring takes place when a company's activity is relocated or outsourced outside of the country in which it was initially based.

- Offshoring has **reduced** compared to the previous decade
- Destination countries are **changing**

Offshoring in Ireland

Cardinal Healthcare (29/8/2024):

- Tullamore -> Mexico, Thailand and Costa Rica

Glen Dimplex (8/2/2024):

- Newry and Portadown -> Lithuania
- Dunleer -> China

Merative (7/09/2023):

- Dublin -> India

National Pen (7/1/2022):

- Dundalk -> Czechia



- Offshoring cases:
10 (2014-2024) vs 47 (2003-2013)
- Offshoring taking place in multiple sectors and toward multiple locations

Interim findings

- Deep impact of the digital and green transitions on companies between 2021 and 2024, with large restructurings leading to **job substitution**
- Twin **transitions** rather than transition from a firm-centric perspective
- **Social partners'** involvement allows for the introduction of protective measures, yet their presence is low in the context of the twin transitions
- Offshoring has **reduced** compared to the previous decade
- The majority of offshoring activity is still happening **within Europe**
- Destination countries for offshoring are **changing**



**Any comment or
question?**

Thank you!

For more information on the Research Paper
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