

Finetuning workers' rights in restructuring

In restructuring, employee representatives have the right to know

all about the restructuring plans, the steps, and their potential consequences.

Using these rights can avert workers being played off against one another.

Information and consultation
in restructuring...

IF TWO COMPANIES FROM DIFFERENT COUNTRIES MERGE:

Workers of both companies have the right to be informed and consulted about the proposed merger. If there was board-level employee representation (BLER) in one or both of the companies before the merger, then they may negotiate new arrangements for BLER. The new board can include employee representatives from different countries, thus better reflecting the cross-border, European nature of the new company. An independent expert's report assessing a proposed merger can be commissioned by workers' representatives.

IF A COMPANY UNDERGOES RESTRUCTURING:

Central management of multinational companies must inform and consult with employee representatives (European works councils and/or board-level employee representation) about any issues that have possible consequences in different countries. These rights to be involved early and comprehensively come on top of the local workplace involvement rights.

IF MASS DISMISSALS ARE PLANNED:

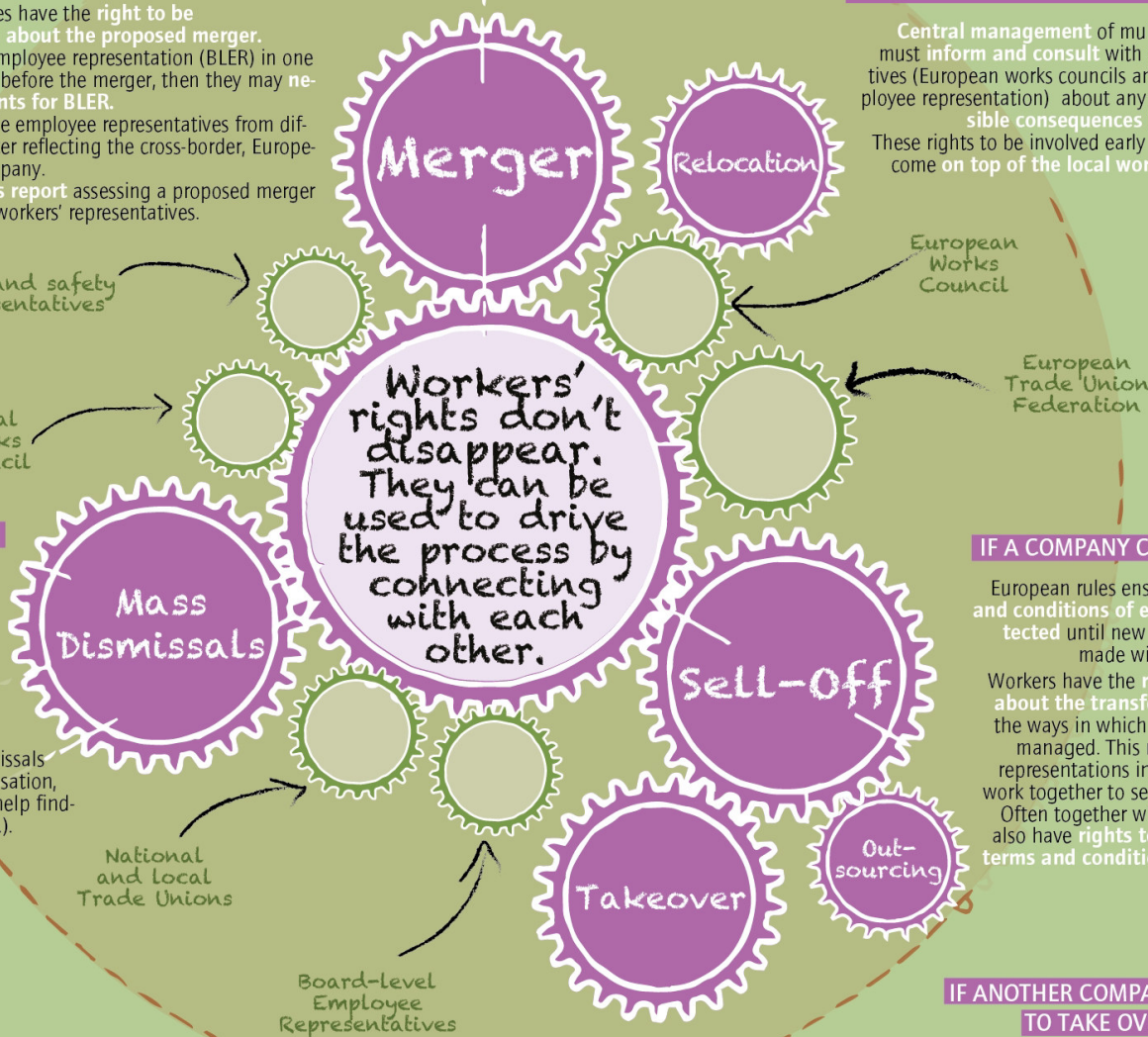
There are EU rules in place obliging companies to officially notify the public authorities, and to inform, consult and negotiate with representatives of the workforce about the dismissals (e.g. social plans, compensation, retraining, and ensuring help finding new employment, etc.).

IF A COMPANY CHANGES HANDS:

European rules ensure that basic terms and conditions of employment are protected until new arrangements can be made with the new employer. Workers have the right to be informed about the transfer of ownership and the ways in which the transition will be managed. This means that employee representations in both companies can work together to seek the best solutions. Often together with trade unions, they also have rights to (re-)negotiate key terms and conditions of employment.

IF ANOTHER COMPANY MAKES A BID TO TAKE OVER MY COMPANY:

Workers have the right to be informed about the bid and the conditions of the proposed takeover. The workers' opinion can be formally filed with the authorities. The employee representatives of the company seeking to take over the other undertaking also have the right to this information.



By combining local and transnational rights,
workers' representatives are
far better equipped to handle restructuring.

Sources:

Directive 94/45/EC and Recast Directive 2009/38/EC on the establishment of EWC
Directive 2001/86/EC supplementing the Statute for a European Company
Directive 2003/72/EC supplementing the Statute for a European Cooperative Society
Directive 2009/109/EC on reporting and documentation requirements in mergers
Directive 2007/63/EC on the requirement for an independent expert's report
Directive 98/59/EC on collective redundancies
Directive 2001/23/EC on employees' rights in transfer of undertakings (also known as the Acquired Rights Directive)



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