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# PRAXIS FROM LAW TO PRACTICE TRAINING 26 & 27.09.13 ATHENS GOLDEN CITY HOTEL

## REPORT

# **Introduction.**

Objective of the transnational training was:

- Trade unionists from Italy, Romania and Greece to exchange opinions and experiences as far as the situation concerning information and consultation in their respective countries is concerned.
- To give trade unionists of the 3 countries the opportunity to understand the tools they have referring to information and consultation through practical exercises-cases studies and role play games.

# Main points discussed

- 1. First of all trade unionists from Greece, Romania and Italy made a presentation of the actual situation of industrial relations in their respective countries. It was demonstrated that in all three countries collective negotiations and Collective Agreements are under discussion, the sectoral Collective Agreements have in fact been abolished, except in Italy, where there are still some extensions or exceptions. At the same time they promote individual work contracts. In Romania, even worse, they have changed the law, which provided that sectoral agreements may not be less than the NGCA.
- 2. The social model, we knew and for which the whole world envied Europe, no longer exists. In Greece there are now 1300000 persons unemployed; this affects all levels, from society to social insurance, pensions and taxes. Across southern Europe, the middle class disappears. Even in Germany the difference between rich and poor has grown and the number of people below the poverty line has increased.



- 3. In Greece and Romania the number of civil servants was greatly reduced through attrition and by respecting the clause 5:1 and 7:1 respectively (departures to recruits). In Greece a lot of layoffs of civil servants through removal of their jobs in the organisation chart have started. In Romania, even if this clause today is 1:1, the recruitment procedure is very slow due to bureaucracy.
- 4. The difficulty to conclude sectoral collective agreements is accompanied by a difficulty of trade unions to mobilize workers. In Romania 20 years ago a Federation could easily make a demonstration of 100,000 people. Nowadays, all three confederations together could assemble 10,000-15,000 people in the best. Even in Italy the Confederations find it difficult to make demonstrations. In Greece general strikes have fewer participants than a year ago.
- 5. In Italy and Romania there is a problem of fragmentation of the labour movement in many Confederations. In Italy there are three labour Confederations. In Romania five and there are attempts to make them converge. Also in Romania there are 13 employers' organizations at national level, 9 of which are representative, but there will be a legislation aiming to reduce them.
- 6. In Italy, consultation is based on collective agreements, but in cases of multinational firms exist also EWCs. These companies use the crisis as a pretext in order to reduce their costs. IBM and ERIKSSON, for example, have cut workers. So far the unions have been able to transform the redundancies into voluntary exits. Nowadays, with the crisis, it is difficult to find employment elsewhere, so there can be no more voluntary exits. Another way to tackle the problem, which is encountered in Italy, is through solidarity contracts (reduction in working hours with loss of pay, which is disproportionate). In Romania, a subsidiary of GAZ DE FRANCE has set a target to curb costs of the group by more than 3 billion Euros by 2015. Already, it has withdrawn from a company with 800 employees. The EWCs have no right to try to negotiate, so they substitute negotiation with consultation.
- 7. In Italy, consultation is usually done in writing. In Greece consultation often is not done at all or done only just for the forms. For example in WIND the management sent a letter to the trade union and invited them for a meeting. The trade union went to the meeting where the management said to them irrelevant things. Just after the trade union representatives left the meeting, the management sent an email to all employees informing them that consultation with the union was concluded.
- 8. Even in the case employers' representatives and workers' representatives at national level conclude to an agreement this is subject to the consent of the troika in countries like Romania and Greece.

Then the participants were divided into two groups (one with Italians and Greeks and one with Romanians and Greeks) and played role-playing games.



# CASE STUDIES FOR ROLE PLAYING GAMES

#### INTRODUCTION

The following case studies refer to hypothetical companies, in which occur topics that may cause information and consultation between the company management and employee representatives.

These issues are grouped into categories according to the level of information and consultation applied or not applied in the companies. There are also two introductory case studies.

These categories are:

- 1. 1. First introductory case study (creating new business by merging parts of two other companies).
  - 2. Second introductory case study (factory closure in a multinational enterprise).
  - 3. Company where the procedures of information and consultation are respected.
- 4. Company where information and consultation procedures are not applied yet, but the employer has begun to raise to workers' representatives issues concerning information and consultation.
- 5. Company in which circulate several rumours. Employee representatives decide to ask the employer for information and consultation on such rumours.

Trainees will be divided into 2 groups. In each group, two trainees will have the role of "employer" and the rest will be "employee representatives". The "representatives of employees" will discuss together questions of each case study. The "employee representatives" will communicate their positions to "employers". Accordingly, the "employers" will react and communicate their own positions in the "workers' representatives". The aim is that participants exchange views concerning various cases that may arise in real life. At the end an "employer" and an "employee representative" will present their views to all participants. It is expected that each participant will propose action following what is established in his/her the country. By no mean there is a right or a wrong answer.

Each issue in each case study is different from other issues and it has been raised at a different time from the other issues.

The discussion among the participants will be done independently for each issue in each category.



# 1. FIRST INTRODUCTORY CASE STUDY (creating new business by merging parts of two other companies.

Two multinational companies in the high-tech sector have decided to consolidate parts of equipment maintenance and new construction projects.

In each of the two companies work about 2000 employees. The two companies will jointly establish a third company, which will take over the maintenance of equipment and new construction projects of both companies.

Shareholders in the new company will be the two companies with 50% each. The new company will be employed 500 workers from each of the two companies.

In both companies there are company-based trade unions, which sign with the respective managements Collective Agreements.

The managements of the two companies offer their employees, who will be transferred to the new company to sign new individual work contracts.

#### **Ouestions**

- 1. What is the aim of the employers?
- 2. What steps should be taken by the trade unions?
- 3. Which will be the potential actions of the employers?

# 2. SECOND INTRODUCTORY CASE STUDY (closing a plant in a multinational company).

A multinational company has four plants in a European country.

Each plant has a company-based trade union. The three trade unions are members of the same trade union Federation. The company's management in this country sends a letter to the trade unions announcing that:

It stops today operation of a plant

It invites the trade union to a meeting after three days, in order to inform it and consult with it about the possibility of avoiding or reducing dismissals and adverse consequences following the law prohibiting redundancies without previous consultation.

The trade union does not appear to the information and consultation meeting. It responds to the employers asking for public debate and it notes that after making unilateral decisions, "dialogue" can only be conducted before a public authority. It makes also appeal to the Labour inspectorate.

Please answer the following questions according to what is established in your country:

# **Questions**

- 1. Comment the positions of the employer and of the trade union
- 2. What actions should the trade union undertake?
- 3. What is the aim of the employer?



# 3. APPLICATION OF INFORMATION AND CONSULTATION

In a company where information and consultation procedures are applied, the employer announces to the workers' representatives the following issues:

# **Issues**

- 1. Closing down of a department of the company, in which are employed 20 employees over a total of 1000.
  - 2. Introduction of multi-skilling.
  - 3. Mass redundancies of 300 employees out of 600 because of economic crisis.
- 4. Abolishment of the Collective agreement and its substitution with individual work contracts.
  - 5. Early retirement for employees who are over 55 years old
  - 6. Implementation of job rotation.
- 7. Closing two departments of the plant, commissioning of their production to external subcontractors and layoffs of workers in these departments.

## **Questions**

Please answer to the following questions referring to each issue:

- 1. Which information should workers' representatives ask in order to be informed concerning these issues?
- 2. Which are the positions of the workers' representatives on each of the above issues?

## 4. PROPOSALS OF THE EMPLOYER

The employer of a company, in which there are no information and consultation procedures, suggests to workers' representatives the following issues for consultation, each issue at a different time.

#### **Issues**

- 1. Closing of a department that employs 100 persons and their dismissal
- 2. Investment in a law-wage country aiming at reducing production in the mother-country and transferring production abroad.
- 3. Mass redundancies paying only 20% of the severance preview by law, due to economic problems and decrease of sales.
- 4. Abolishment of the Collective Agreement in power and signing of individual work contracts.
- 5. Due to decrease of turn over and financial problems concluding to a Collective Agreement previewing less than the NGCA.
  - 6. Implementation of a job rotation system
  - 7. Convert indefinite-term work contracts to project-based contracts
  - 8. Hiring personnel through manpower organisations.

Please answer the following questions for each issue:

#### Questions

- 1. What information should workers' representatives seek in order to be informed on each issue?
- 2. What will be the positions of workers' representatives for the consultation?



#### 5. SPREADING RUMOURS

In a company circulate grounded rumours on the following issues. Each issue arises at a different time.

#### Issue

- 1. Staff redundancies in two departments due to stopping the production of their products.
- 2. The grouping of companies employs 12.000 persons in 7 plants in 4 EU member states. Rumours in the mother company say that it will shut down one out of two plants existing in another EU country. In this plant there are 500 workers, out of 1,200 in total employed in that country. The multinational has a European Works Council and trade unions in each plant.
  - 3. Layoffs due to outsourcing of their job to external subcontractors.
  - 4. Job rotation due to turn over reduction
- 5. Shut down of two production plants that employ 300 persons out of the 10 plants that has the company in different locations, employing 2.500 employees.
- 6. Hiring staff with individual work contracts with salaries inferior to the Collective Agreement signed by the trade union and the management.
  - 7. Hiring of part time staff to replace full-time staff.

Please answer the following questions for each issue:

#### **Ouestions**

- 1. Which is the position of workers' representatives regarding rumours?
- 2. What procedure will use workers' representatives to ask the management for information? What data will they ask for? What will they do if the management does not provide them with the data they asked?
- 3. How will they proceed to consultation with the management? Which will be their positions in the consultation and what will they propose? How will consultation be implemented?
- 4. What workers' representatives have to pay attention to?

