



Europäischer Metallgewerkschaftsbund
Fédération Européenne des Métallurgistes
European Metalworker's Federation

EMF Policy Approach towards Socially Responsible Company Restructuring

*(approved by the 100th EMF Executive Committee
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1. Corporate restructuring with a transnational dimension has become a permanent feature in the metal sector over the past years. Globalisation, fast-growing technological change, domination of the liberal ideology and the driving role played by financial markets have all contributed to making today's economy one of accelerating change.
2. The European Metalworkers' Federation (EMF) has always been in favour of change since in our view only viable companies can create and secure the stable, highly-valued and well-paid jobs and the favourable working conditions workers have a vested interest in. The EMF supports a strategy of change which creates the conditions for a viable industrial concept in the long run but also takes on board the social interests of the employees. Supporting processes of change and development within companies should be combined with strategies for safeguarding and developing employment. This is why the EMF endeavours to ensure that workers and their representatives are actively involved in all phases of the process of change and especially in the planning phase. Anticipation and preparation for change are the pre-conditions for managing change in a socially responsible way.
3. Change and restructuring can also be synonymous with jobs cuts and loss of employment security. The EMF does not accept that workers are the only ones to pay the price for restructuring. Socially responsible change should create the conditions for growth, development and viability for the company as well as for employment. Accompanying measures should be offered and negotiated (early retirement, retraining...) if redundancies are inevitable.
4. The EMF is also aware that restructuring processes put sites and countries in competition with each other. The EMF undertakes to ensure a European response via strong trade union co-operation and involvement of institutions such as European works Councils.

5. In the EMF view there is only one way to respond to management attempts to play off workers and unions across borders: by guaranteeing the unity of the workers and the unions. It is only through co-ordinated and common actions that we will be able to counter the pressure exerted by management. If we accept being played off against each other we will all be the losers in the long run.
6. Over the past years, the EMF and its member organizations have increasingly been involved in cross-border company restructuring. Confronted with transnational strategies of multinationals, the EMF member organizations had to look beyond national boundaries to develop co-ordinated strategies and actions at European level. Tying together various unions' national company policies and strategies in multinationals has become the cornerstone of the EMF policy in its attempt to ensure that restructuring is carried out in a socially responsible way.
7. Knowing how to respond to transnational restructuring processes and pressure exerted by management has become a matter of urgency for EMF members. Despite the existence of national legal tools and practices there is a need to go beyond the national level and develop joint strategies at European level. Against this background the EMF Company Policy Committee has developed these guidelines as a tool to assist EMF members in preparing a first reaction and in planning a strategy as regards how to respond to a restructuring plan at European level with a view to avoiding or limiting the negative impact on employment.
8. The rationale and background of restructuring processes differ considerably from one company to another and from one country to another. However, despite the fact that each restructuring is unique and that workers and their representatives have to adapt their strategy accordingly, some common rules have to be established as to how the metal unions should handle restructuring at European level. Furthermore, lessons should be drawn from the concrete cases the EMF has been dealing with recently.
9. With the present document the EMF intend, in the first place, to outline ten principles which should be the driving force for any response to a transnational restructuring plan. In the second place, some technical guidance as to how to organize this joint answer will be provided.

The EMF ten principles on transnational restructuring

10. In the EMF understanding, restructuring is defined as company measures that lead to important changes in the business and/or labour organization with an important economical, technological and social impact (such as for example mergers, acquisitions, plant closures, transfers of production, downsizing, strategic repositioning...).

11. The EMF has identified ten principles for a common response to a restructuring project, putting pressure on management, ensuring that workers' interests are taken on board by management and avoiding workforces being played off against each other:

- *Develop an early warning system*
Any rumour of a restructuring plan should be checked especially with colleagues from other countries in order to be able to rapidly confirm or invalidate the news. Should the information be confirmed it has to be disclosed to the actors concerned i.e. national officers, the EMF Secretariat, the EMF EWC coordinator and EWC members in such a way as to allow rapid reaction. Anticipation is a pre-condition for influencing the decision-making process. The news can also come from newspaper articles – an occurrence that we see more and more frequently. Our response to this style of announcement will require a higher degree of reactivity and tighter co-ordination.
- *Ensure full compliance with information and consultation rights both at national and European level*
Access to relevant information is essential to understand the company strategy and propose alternative measures. Furthermore workers and their representatives should have the necessary time to develop these alternatives proposals. Steps will be taken to ensure that workers and their representatives are properly informed and consulted both at national and European level before the final decision is taken. Where a European Works Council exists, an extraordinary meeting of a EWC will be requested in the first place with a view to obtaining more information and agreeing on a timeframe for consultation.
- *Set up a European trade union coordination group composed by the unions involved in the company, the EWC and the EMF co-ordinator*
If it is deemed necessary, a European trade union coordination group will be set up. The idea is to tie together around the same objective all the potential actors: the trade union officials from the trade unions concerned, the EWC members, the EMF EWC coordinator, the EMF Secretariat, workers' representatives within the Executive or the Supervisory Boards. This body will be the driving force behind the European strategy and the establishment of a European, co-ordinated response. Most likely it will become a social dialogue group in the event of framework negotiations at European level. The EMF Coordinator will take care of the general interests of the workers all through the process.
- *Full transparency of information*
Creating a climate of trust and confidence among the colleagues in the different countries concerned is the prerequisite for a joint and co-ordinated response. Full transparency of information should be achieved

in this respect. More specifically, any attempt from management to strike a deal with one company or in one country will be reported to the colleagues concerned or to the co-ordination group. No negotiation will be concluded before having informed and consulted with the colleagues concerned or the co-ordination group.

- *Draw up a common platform*
A platform of common demands will have to be drawn up to signal to management and to the outside world the workers' intention to stand up together and develop co-ordinated actions. Basic demands will have to be supplemented by the development of a plausible and coherent alternative concept combining an industrial plan with socially acceptable measures. The possibility of bringing in external experts to assist on this matter shall be considered. Where an EWC exists the EMF Coordinator will have a key role to play in initiating such a platform. The platform will be drawn up in co-operation with the national unions and the EWC. The workload will be shared between the different stakeholders.
- *Envisage negotiated solutions acceptable for all*
The unions, together with the EWC, will seek to negotiate a framework agreement with management at European level covering both industrial and social aspects, guaranteeing that restructuring is managed in a socially responsible manner and that the sustainability of the company and employment are guaranteed in the long run. All possibilities to mitigate the social consequences will be explored (reduction of working time, reallocation of work, early retirement, retraining, reclassification, etc.). Minimum standards for a social plan will be defined Europe-wide. No negotiation at national level or within one company will be concluded before having informed and consulted with the colleagues concerned at European level.
- *Develop a communication strategy*
Wielding influence is the key to the success of your strategy. First reactions, the political platform, conclusions and decisions should be immediately relayed by the press, the unions, the workers, the politicians, etc. In order to ensure that the campaign is 'worker-based', members and workers must be fully informed. Communicating to the outside world is also essential. Politicians, MEPs or anyone with influence can be rallied to your cause.
- *Envisage cross-borders activities*
In case management is not willing to agree to a fair and constructive approach, cross-border actions will be envisaged. Mobilization should be worker-based and creative. A European day of action is one of many instruments that can be envisaged. Others can be developed in line with national practices and traditions providing that they make our cause and

our demands more visible. If this type of action is decided, the internal EMF procedure for such actions, will apply.

- *Explore any legal possibilities to ensure that workers are heard*
In the event of a merger, workers have the right to be heard in the merger control procedure which is carried out by the European Commission. Through this procedure the European Commission will decide whether the planned merger/acquisition will lead or not to abuse of dominant position. Workers can ask to be consulted by the Commission on the abuse of dominant position and raise the issue of the social consequences.
- *Binding commitment*
Any strategy agreed, any decision taken, at European level should be made binding for all the actors concerned and implemented at national level.

With these ten principles the EMF aims at enhancing our ability to act in a crisis, and at avoiding being played off against each other, as well as demonstrating that alternative solutions exist and are viable with a lower social cost. We should also bear in mind that building relationships and strengthening solidarity on an ongoing basis with colleagues from other countries constitute a real added value to developing co-ordinated actions in a crisis situation. In this respect EWCs should also be used build our capacity to work together.

The practical implementation of the EMF approach

The EMF EWC coordinator is the driving force behind the implementation of the EMF approach towards company restructuring. He or she, in close cooperation with the EMF Secretariat, the EWC and the trade unions concerned, will take the necessary steps to ensure that workers' representatives are involved in due time in the restructuring process and that a common and co-ordinated response is developed throughout Europe with a view to guaranteeing a socially responsible process.

Where EWCs do not exist, the EMF approach will be conducted by the trade unions of the country where the headquarters are located in close c-operation with the EMF Secretariat and the trade unions concerned in the other countries.

Early warning system

In the event of a company planning to restructure, the EMF Coordinator will immediately inform the EMF Secretariat, which will also inform all the unions concerned. The EMF Coordinator, together with the EMF Secretariat, will decide on an appropriate response based on the 10 EMF guiding principles on restructuring.

European trade union coordination group

If deemed necessary, the EMF Coordinator, together with the EMF Secretariat, will set up a European trade union co-ordination group composed of EWC representatives (most likely the Select Committee) and one trade union officer for each national union involved. Additional workers' representatives (local shop stewards, workers' representatives in the Executive or the Supervisory Boards, an EWC financial expert) could join this co-ordination group with the prior agreement of the EMF Coordinator and the EMF Secretariat.

The purpose of this co-ordination group is to develop a European co-ordinated response to the project or measures planned by the central management.

Any meeting of the European trade union co-ordination group organised under the EMF auspices will take place with the involvement of and with the prior agreement of the EMF Secretariat. The EMF will in principle cover the expenses of the meeting venue. All the other costs (accommodation, travel, etc.) will be covered by the national trade unions. In principle, all meetings will be conducted in one language, most probably English.