

Transnational company restructuring: 10 Principles for better trade union cooperation and greater solidarity

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Transnational companies have emerged as the key players at European level and the main winners of the European integration. While they are shaping the European economic and market integration to match their needs, they are also taking advantage of a piecemeal European social model which, instead of promoting European-wide social standards, is giving rise to regime competition between countries which, in turn, is fuelling a “race to the bottom”.

With the process of globalisation and businesses ignoring national boundaries, industriAll Europe has to step up trade union coordination efforts in order to put forward European responses and counter the pressure being exerted by multinational companies. The coordination of trade unions in multinational companies is essential in terms of fostering a mutual commitment to move together, building common strategies and preventing workers being played off against each other, as well as deciding on joint actions at European level. Trade union networks, information and consultation bodies and board-level representation – both at national and European level – are all part of this coordination.

The only way to respond to management attempts to pit workers and unions against each other, across borders, is to strengthen the unity of the workers and the unions. It is only through coordinated and common actions that we will be able to counter the pressure exerted by management.

Beyond mere statements of solidarity, concrete actions and instruments need to be identified, with a view to developing a coordinated response to transnational restructuring, ensuring that workers’ interests are taken on board by management while avoiding workforces being played off against each other.

IndustriAll Europe has identified 10 basic principles. These principles should be seen as a joint responsibility that trade unions have towards each other.

1. Develop an early warning system

Regular exchange of information should be promoted in multinational companies. This is essential to build mutual trust and prepare for closer cooperation. Where EWCs have been established, the EWC Coordinator can play a key role in fostering transnational cooperation.

Any rumour of a restructuring plan should be checked, especially with colleagues from other countries, in order to be able to rapidly confirm or deny the news. Should the information be confirmed, it has to be disclosed as much as possible to the concerned stakeholders, i.e. national officers, the EWC Coordinator and EWC members, in such a way as to allow a rapid reaction. Anticipation is a pre-condition for influencing the decision-making process.

A formal request for further information e.g. in the event of rumours, should be made to the relevant level of management.

2. 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 alternative proposals. Steps will be taken to ensure that workers and their representatives are properly informed and consulted both at national and European level before a final decision is taken. Where a European Works Council exists, an extraordinary meeting of an EWC will be requested in the first place with a view to obtaining more information and agreeing on a timeframe for consultation.

Participation rights where they exist as well as the interlinking between the national and European levels will be developed.

3. Set up a European trade union network

If it is deemed necessary, a European trade union coordination group will be set up. The idea is to rally around the same objective all the potential stakeholders: trade union officials from the trade unions concerned, EWC members, the EWC Coordinator and the workers' representatives sitting in the Executive/supervisory Boards. This body will be the driving force behind the European strategy and the establishment of a European and coordinated response.

4. Provide 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 coordinated response. Full transparency of information should be achieved in this respect. No negotiations will be concluded before trade unions and/or workers' representatives have received sufficient information, have been duly consulted and before a joint strategy has been established at European level.

5. Draw up a platform of common demands

A platform of common demands will have to be drawn up to signal to management and different stakeholders the workers' position and intention to stand together and develop coordinated 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 should be considered. Where an EWC exists the industriAll Europe EWC Coordinator will have a key role to play in initiating such a platform. The platform will be drawn up in cooperation with the national unions and the EWC.

6. Envisage negotiated solutions acceptable for all

The unions, together with the EWC, will seek to promote negotiations either at national or European level guaranteeing that restructuring is managed in a socially responsible manner across Europe. 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 the colleagues concerned at European level have been informed and consulted.

7. Develop a communication strategy

Wielding influence is one of the keys 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.

8. Envisage cross-border activities

Cross-border actions can be contemplated. Mobilisation 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 they make our cause and our demands more visible.

9. 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 European Commission on the abuse of dominant position and raise the issue of the social consequences.

10. Binding commitment

Any strategy agreed and any decision taken at European level should be made binding for all the players concerned and implemented at national level.

With these 10 principles industriAll Europe aims at enhancing our ability to act in a united way, 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.