

Acquisition of Alcatel Lucent by Nokia: European trade unions demand more workers' involvement

The Nokia – Alcatel-Lucent Trade Union Coordination Group met on 11 September 2015 under the auspices of industriAll European Trade Union, following the announcement of the acquisition of Alcatel-Lucent by Nokia. This trade union coordination meeting assembled 45 trade union and workers' representatives, from both companies, and from 10 EU Member States.

The Trade Union Coordination Group discussed the ongoing consolidation in the telecommunications sector and the possible synergies that the new Nokia group could create. However, the representatives identified as well a number of risks that this acquisition might create in several European countries. Risks related to loss of employment, loss of qualified and highly skilled employees, loss of R&D capacity in Europe. The almost 40 000 workers of both groups in Europe urgently demand more clarification from their companies.

Positive **workers' involvement**, and motivated workers, are **key success factors** for mergers and acquisitions. In the highly competitive global market for telecommunications equipment and services, where technological edge determines market share, investment capacity and ultimately profits, companies must not sacrifice their essential long-term assets: the competencies and motivation of their workers.

So far, with very few exceptions, European workers of Nokia and Alcatel-Lucent have been provided with **insufficient or no information** on the planned acquisition, the calendar, the process, or the outcomes, having to rely on the press to be informed of their most immediate professional future. More worrying still, the **information & consultation rights of workers** have been almost systematically **disregarded** or made void of any concrete content – be it at national or European level. Neither the European Works Council of Nokia nor that of Alcatel-Lucent have been provided with any other information than that already made publicly available to the press or to shareholders. This reality is not in line with the European Directives on information and consultation of workers, such as the Directive 2009/38/EC on European Works Councils. We ask both companies with immediate effect to inform and consult their European Works Councils in line with the spirit and content of this Directive.

Furthermore, given the fact that Nokia is currently negotiating a new agreement for the future European Works Council, we ask that both companies allow regular contacts and meetings between the workers' representatives of the Select Committees of both European Works Councils in order to create involvement of workers' representatives of both companies.

IndustriAll Europe also highlights the imbalance in importance given by market authorities to economic and social aspects of this acquisition. We could not find any reference made to the possible social impact of this acquisition, which is for industriAll Europe and the Nokia – Alcatel-Lucent Trade Union Coordination Group totally unacceptable.

IndustriAll Europe, as representative of the industrial and telecommunication workers in Europe and gathering all the involved trade unions in Alcatel-Lucent and Nokia, demand an **urgent meeting** with the management of Nokia and of Alcatel-Lucent. During this meeting we want to receive comprehensive and precise information regarding the items listed below, and, based on this information, to discuss the **strategic industrial plan** underpinning this acquisition. Management has been setting up joint merger preparation committees over the last months. It cannot claim any more that nothing is known, that contacts between employees of both companies are inappropriate because they are market competitors, and that discussion is premature. Workers have the right to be informed and consulted on the future consequences of this acquisition.

Information requested from the management of Nokia and of Alcatel-Lucent, and to be discussed with them, comprises the following items:

- How will the synergies be implemented? What will be their total amount?
 - What is the split planned between employment among Support, General & Administrative jobs, R&D employment, supply chain...?
 - What is the split between economic zones (North America, Asia and Europe)?
 - What are the consequences for the European R&D activities in the wireless sector?
 - How will the commercial hub be organised (geographic organisation in the EMEA region, specifically regarding Russia, Africa...)?

- Where will the main operations of the new group be located?
 - Where will the current 40 000 employees in the R&D teams of the new Nokia be employed in the future?
 - What will be the activities of the new Nokia's European R&D centres?
 - What will be the role of European R&D centres in the development of future high-growth technologies (LTE, 5G, IP routers)?
 - What are the plans of the new Nokia regarding the provision of services?

Based on this information, European trade unions may propose alternative strategies to maintain investment (specifically in future technologies), employment, employment quality and workers' involvement in Europe.

The success of the acquisition of Alcatel-Lucent by Nokia depends on the workers. They should not pay the bill!