Collective redundancies

When many jobs are being cut at the same time

Transnational Restructuring Navigator

What you should know about it:

- Collective redundancies or dismissals are situations in which **a large number of workers of a company lose their jobs within a short period**
- In a collective redundancy situation, **employers must consult with national representatives of the affected workers**. This obligation is defined in EU Directive 98/59/EC. It sets out rules on the information and consultation of workers' representatives before collective redundancies are made, as well as provisions on practical support for the workers who are laid off.
- According to the **EWC Directive, collective redundancies are an exceptional circumstance**, giving rise to a consultation procedure with the EWC.
- Dismissals and collective redundancies as a result of ownership or a business change or closure / bankruptcy are covered by **other EU rules**.
- If collective dismissals are unavoidable, **national legislation** obliges the employer to negotiate with the workers representation body about **measures of support for affected workers** such as social plans, financial compensation, retraining and/or support for finding a new employment.
- **EWCs and SE Works Councils** as well as worker board level representatives should be well aware about the national rules as regards collective redundancies in order to oversee the respect for the appropriate procedures and a correct implementation in each of the Member State that is affected.

Your mission is to...

- Anticipate the possible collective dismissals in your company and reasons of the management to consider collective redundancies.
- Use trade union resources and information on the issue at European and national level.
- Gather all information that helps to understand the economic case of collective redundancies but also possible "hidden" motivations of the management.
- Get in touch with your EWC/SE WC coordinator and your European Trade Union Federation for advice.
- Share all information you can collect at local level with all EWC/SE WC members.
- Ensure the EWC speaks with one unanimous voice and express an opinion on the restructuring plan before the start of national negotiations of workers and trade unions with the local management.

- Be pro-active: Claim your rights, do not wait for management to voluntarily come forward with the necessary information or ask for your opinion.
- For more generic recommendations on transnational restructuring please click **HERE**

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Timeline matrix

Management obligations

European Works Councils SE Works Councils

- In case of rumours and a transnational dimension (the measure resulting in collective redundancies is decided at transnational level or/and affecting several sites/subsidiaries in different EWC countries) central Management has the obligation to inform the EWC or SE WC as soon as possible (see intended decision)

Local worker representations

- The management at local level has to inform about any planned collective redundancies.
- Exact deadlines and obligations are described in the respective national labour law provisions on collective dismissals.

Worker representatives on the Board

- Management should inform the Board level worker representatives about the corporate strategy and any plans that are likely to affect the workforce.

Workers' rights and action

European Works Councils SE Works Councils

- Members have the opportunity to raise questions with management, for instance via their Select Committee, Secretary, Chair or other spokesperson in-between meetings.
- The EWC should exchange and gather information as early as possible in close cooperation with local and national members in the affected countries.

Local worker representations

- Local worker representatives have the possibility to raise questions to national or local management to verify the rumours veracity.
- They should also get in touch with national level trade unions as well as the EWC.

Worker representatives on the Board

- Raise the issue in board meetings and discussions about future strategy and the economic reason of redundancies with management. Send signals to the EWC.

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Trade union action

European Works Councils SE Works Councils

- In case of large scale redundancies trade unions should develop own initiatives targeting not only the employer but also affected public authorities and governments at local, regional and national level.
- There should be a close cooperation between union structures at EU and national level and the EWC / SE WC

Local worker representations

- Rumours may be well-founded or not: initial exchanges with workers concerned maybe needed. Worker representatives may also check public information from the internet (press, corporate website, ...). Trade unionists can also exchange information across establishments depending on the national legislations.

Worker representatives on the Board

- Regular exchange with worker board level members as well as national trade union members involved in the EWC.

Role of public authorities

European Works Councils SE Works Councils

- No direct role vis-à-vis the EWC but the EWC should know that in case of collective redundancies, public authorities in those countries that are affected must be notified in advance by the employer.
- The EWC therefore should be aware of the national legal regulation and the different procedural rules in the EWC countries affected by collective redundancies.

Local worker representations

- Local workers representatives should inform themselves about legal rules and the role of public authorities in situations of **collective redundancies** implementing the provisions of the EU Directive.

Worker representatives on the Board

- No role of public authorities in relation to Board level worker representatives.

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Further reading and resources

COLLECTIVE REDUNDANCIES

Collective redundancy, European Industrial Relations Dictionary, Dublin

Organisation(s): Eurofound

Type: Website

Category: Research

Language: English

Access: Public

COLLECTIVE REDUNDANCIES CLOSURE

In case of a closure resulting in signficant numbers of redundancies, it might also be useful to have a look at the list of company restructuring cases in which interventions of the European Globalisation Fund have been made

(the list is updated every few months)

Type: Website

Category: Facts and data

Language: English

Access: Public

COLLECTIVE REDUNDANCIES

Gathering information on company examples of different types of restructuring is possible via the Eurofound "Restructuring Events Database"

The database is searchable by country, sector, name of company as well as specific types of restructuring.

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Organisation(s): Eurofound

Type: Website

Category: Facts and data

Language: English

Access: Public

COLLECTIVE REDUNDANCIES

Judgment of the Court in Case C-134/22 | G GmbH. Collective redundancies: the employer's obligation to communicate information to the authorities at an early stage of such a project is not intended to confer individual protection on workers.

Organisation(s): CJEU

Type: PDF

Category: Legal

Language: English

Access: Public

COLLECTIVE REDUNDANCIES

Website on collective redundancies. Usefull links to national legislation implementing Directive 98/59 EC.

Organisation(s): European Comission

Type: Website

Category: Legal

Language: English

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Access: Public

COLLECTIVE REDUNDANCIES

EU Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies.

Organisation(s): European Union

Type: Website

Category: Legal

Language: English

Access: Public

COLLECTIVE REDUNDANCIES

Toolbox for the negotiation and renegotiation of EWC agreements

Organisation(s): industriAll Europe

Category: Union guides

Language: English

Access: Restricted

COLLECTIVE REDUNDANCIES

A list of national trade union officers in charge of company policy,EWCs and SEs in their organisation can be downloaded on the industriAll Europe Intranet

Organisation(s): industriAll Europe

Category: Union guides

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Language: English

COLLECTIVE REDUNDANCIES

industriAll has published a guide for EWC and SE Works Council Members as well as industriAll affiliates to support them when facing transnational company restructuring

Part 1 of the guide is dedicated to Anticipation and being pro-active: "Dealing with transnational company restructuring: Part 1. Be proactive and anticipate: step up information exchange and networking in multinational companies", December 2020.

Organisation(s): industriAll Europe

Category: Union guides

Language: English

COLLECTIVE REDUNDANCIES

Practical Guide for EWCs on information and consulation

Organisation(s): EFBWW

Category: Union guides

Language: English

BEFORE RESTRUCTURING | COLLECTIVE REDUNDANCIES | (CROSS-BORDER) MERGER

How to prepare to company change?

Manual for European Workers' Representatives.

Organisation(s): ETUI

Type: Website

Category: Union guides

Language: English

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Access: Public

Year: 2018

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