

# Collective redundancies

## *Active restructuring policies*

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# Restructuring

- Restructuring
  - Not if, but how
  - Rigidity – a positive element in times of crisis?
  - Trade unions
  - Job – a medieval castle?
  - Prepare for a new job
  - Pre-pension a curse not a cure ??

# Active restructuring policies

- In case of collective redundancies:
  - Try to provide dismissed workers with a new job
  - Establishment of an Employment Unit
  - Offer of outplacement
  - Reinsertion idemnity

# Collective redundancies

- A question of numbers :
  - 10 % if at least 100 employees
  - 10 employees if more than 20 and less than 100
  - ....
  - Two years seniority

# Information and Consultation

- Representatives of the employees - employees
  - Intention of collective dismissals
  - Decision
  - Social consequences
  - In writing (number, criteria, calculation of compensation, when..)
- Multinational
  - Decision by headquarters
  - Role of the EWC

# Information - Government

- A copy of the announcement of the intention of the collective redundancies to
  - Ministry of Labour
  - Sub regional employment service
- The Ministry of Labour determines the date of the collective redundancies

# Employment Unit

- More than 20 employees
- Less than 20 if
  - Pre-pension at lower age than normal
  - Recognition as enterprise in difficulties or in restructuring
- Composed of
  - Employer
  - Representative(s) trade union
  - Sectoral training fund
  - Official employment agencies are responsible for establishment, organisation and coordination

# Employment Unit

- Umbrella employment unit (more enterprises)
- Functioning
  - Aim: active measures
  - Registration of workers (some exceptions)
  - Minimum = outplacement offer (approved by both Ministers)



# Procedure

- Individual information and consultation at the work place.  
Information:
  - Services of the employment unit
  - Consequence of registration with the unit
    - Reinsertion Indemnity
    - Prepension
- Worker indicates if he wants to register or not
- Dismissal
- Registration for six months (at least 45 years of age); three months if less

# Reinsertion indemnity

- One year of seniority
  - 6 months ( 45 years)
  - 3 months, if younger
- Equal to the remuneration, paid monthly
- Replaces the term of notice
- If indemnity is higher than dismissal compensation (term of notice) Government pays back

# Outplacement

- Compensation by Government if
  - Card of diminishing – restructuring
    - Less social security contributions
- At least 30 hours of outplacement.

# Conclusion

- Employment participation = Lisbon target of 75%
- Active employment policies should start earlier – change of mentality, both individual and collective
- Basic education
- Discrimination
- We can do better.