Relocation

When an activity stays within the company, but is moved to another place

What you should know about it:

- Relocation means that an activity stays within the same company in the public or private sector but is moved to a different location within the EU/EEA. A relocation or transfer of activities outside the EU/EEA is called **offshoring**, which is dealt with in another section of this guide.
- Relocation does affect workers and their families. When a company moves its offices or parts of the business to another location, workers are faced with tough decisions. Often, they are given the chance to follow their job, but uprooting family is one major consideration. Leaving friends behind is another.
- The drivers of relocation and **offshoring** are quite similar. It is often linked to the management threat that business activities will be relocated from one site to another unless a cost reduction is implemented, or other cost-related measures are taken.
- Therefore, and if anticipated at an early stage, relocation plans might be influenced or even stopped if the economic rationale is challenged by alternative calculations or considerations by workers, assisted by their experts.
- Relocations may also involve **collective redundancies** or even **closures**, in particular when activities are being moved to a different country.

Your mission is to...

- Anticipate relocation in your company by monitoring sectoral developments. Use trade union resources and information on the issue at European and national level.
- Gather all information that helps to understand the economic case but also possible “hidden” motivations of the management.
- Gather information on the working conditions and labour relations in the targeted location. If feasible, use all channels to get in touch with trade unions at the entity.
- 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.
- 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**.

Timeline matrix

Management obligations

European Works Councils SE Works Councils

- In case of rumours and a transnational dimension, i.e. the relocation has an effect for the European workforce in terms of potential effects, the management has the obligation to inform the EWC or SE Works Council as soon as possible (see intended decision).

Local worker representations

- If the rumours are well funded and a project is under way which may have an impact on the workforce in terms of its potential effect, Local Management has the obligation to inform the local representatives as soon as possible (see intended decision). In case more than one country is impacted, such information should be coordinated and provided within the same timeframe. Local information then concerns in particular the impact of the relocation project on those local sites that will be affected.

Worker representatives on the Board

- Management should inform the board members about the corporate strategy and any plans that are likely to affect the workforce at a very early phase and well in advance of any final decision.

Workers' rights and action

European Works Councils SE Works Councils

- As soon as rumours may appear to have some substance, EWC/SE WC members should confront management with the information already obtained and ask for further details, including – when appropriate - the formal information and preparations for consultation of the EWC/SE WC. This can be done at a regular meeting or via their Select Committee, Secretary, Chair or other spokesperson in between meetings.
- Consider using checklists of early warning signals that have been developed in trade union projects such as: **Anticipating and assessing risks related to outsourcing and offshoring**
- Get in touch with your trade union coordinator and your European trade union federation to secure the full information of all concerned trade unions and start preparing a joint trade union response

Local worker representations

- As soon as rumours may appear to have some substance, local worker representatives should confront

management with the information already obtained and ask for further details, including - when appropriate – the formal information and preparations for consultation. This can be done at regular meetings of the local representative bodies or via their Secretary, Chair or other spokesperson in between meetings. This can also be done by individual shop stewards or the EWC/SE WC members representing of the country concerned.

- Any information obtained at local level should systematically be shared with the EWC/SE WC members of the other countries. This will make it possible to get a picture very quickly of the transnational nature of the possible relocation.

Worker representatives on the Board

- Worker representatives on the board have access to the same information as shareholder representatives. If any rumours about possible outsourcing of activities are going around and such plan has not been communicated to the board yet, then the issue can be raised at the next meeting, asking for full disclosure of the business case. If however such plan was already shared with the board, signals can be sent to the EWC, local worker representatives and/or trade union officers that indeed such restructuring is being prepared. Caution: specific rules on confidentiality may apply.

Trade union action

European Works Councils SE Works Councils

- In case of a transnational dimension, contact the respective ETUF: Check and follow any existing ETUF code of conduct/policy applicable in case of relocation and/or any pre-existing transnational framework agreement or similar company-specific document.
- Gather information on the recipient site or subsidiary of the relocation and try to establish contacts with the respective trade union structures.
- EWC coordinators should closely cooperate with the ETUF and EWC members in the concerned countries in case of a transnational dimension

Local worker representations

- Rumours may be well-founded or not. Therefore, the first mission is to gather as much information as possible to substantiate your presumptions. Possible actions include exchanges with workers concerned, checking publicly available sources (press, corporate website, ...) and contacts with representatives of the potential subcontractor.

Worker representatives on the Board

- In some cases, trade union officers may have a mandate on the company board. If that is not the case, then a close contact to the worker representatives who are on the board will be essential. This will allow

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rumours to be quickly verified and, if confirmed, to prepare further steps (see the following sections in the timeline).

Role of public authorities

European Works Councils SE Works Councils

- No role of public authorities at this stage. However, you may inform yourself about the role of national or local public authorities in particular in large cases of relocation in your country.

Local worker representations

- In some countries, when larger parts of the workforce are concerned, public authorities may be asked to get involved. To prepare for such intervention at a later stage, check your national legislation to find out what rules will apply and which procedures you must follow.
- Laws and regulations on **collective redundancies** and the **transfer of activities to a different undertaking** may be of particular interest.

Worker representatives on the Board

- In case of significant impacts on the local workforce, worker representatives on the board may become prepared to ask management to inform public authorities.

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Further reading and resources

OUTSOURCING RELOCATION

The outsourcing challenge: organizing workers across fragmented production networks

Organisation(s): ETUI

Type: Website

Category: Research

Language: English

Access: Public

Year: 2015

OUTSOURCING RELOCATION

Outsourcing

Organisation(s): Eurofound

Type: Website

Category: Research

Language: English

Access: Public

OUTSOURCING RELOCATION

Eurofound Restructuring Events Database: Factsheet Outsourcing

Organisation(s): Eurofound

Category: Facts and data

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OUTSOURCING RELOCATION OFFSHORING

Offshore outsourcing. A handbook for employee representatives and trade unionists

Organisation(s): UNI Europa

Type: PDF

Category: Union guides

Language: English

Access: Public

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