

A.R.E.NA.S - VC/2008/0667



INTRODUCTION TO THE OBJECTIVES OF THE CYPRIOT NATIONAL SEMINAR

Nicosia, 19 November 2009





European Commission
Employment, Social Affair and Equal opportunities

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AIMS OF THE NATIONAL SEMINAR

- Exchange of views and perspectives on national framework on Restructuring
- Cataloguing lessons learnt and systemizing knowledge and practices on restructuring in your country
- Knowledge sharing
- Identifying inputs to the EU Synthesis Report





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EXPECTED RESULTS

- Shared knowledge on Anticipation and Management of Restructuring
- Lessons learnt and good practices
- Observatory at EU level on "state of the art" on Restructuring and transferability of good practices.





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ORGANIZATION OF THE SEMINAR

- Presentation of key findings of the NBP
- Starting the debate on the effectiveness of restructuring practices in your country in the context of the current economic crisis.
- Analysis and discussion of relevant case studies: their impact and transferability to other contexts





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SELECTION OF THE INVITED PARTICIPANTS

- High level participation to ensure efficient and profitable discussion as the main challenge.
- A tripartite approach rooted in social dialogue
- Practical experiences of restructuring





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Methodology

- A combination of presentations, panel discussions, and working group discussions.
- Facilitator will stimulate debate, discussion and experience sharing.
- Outcomes of the national debate will provide inputs for the EU Synthesis Report on lessons learnt on restructuring.



Anticipating restructuring in Cyprus

- Owing to the nature of the Cyprus economy (many SMEs and few large enterprises), there have been few cases of restructuring.
- These few cases have generally been managed through social dialogue, mediation, and collective bargaining between employers and trade unions, often with government assistance.
- There are some government plans and schemes to help retain jobs during the current economic crisis but no policy or strategic framework for handling restructuring.

Lessons learned on anticipating restructuring in Cyprus

- The good climate of social dialogue between workers organizations, employers organizations and government has facilitated the reaching of agreements about how to handle cases of restructuring.
- Restructuring is likely to be a necessary and ongoing process for enterprises and business sub-sectors in Cyprus, such as tourism and construction, because of structural challenges for maintaining competitiveness.
- There is scope for more tripartite social dialogue to formulate policies and strategies for anticipating restructuring.

Lessons learned from management of restructuring in Cyprus

- Social dialogue and collective bargaining have played an important role in finding mutually acceptable solutions to the jobs issues arising from cases of restructuring.
- Government has played a decisive role in cases where mediation or additional financing were required.
- Job losses arising from restructuring in SMEs are not being addressed effectively, but are important in sub-sectors such as tourism and construction.

Lessons learned from management of restructuring in Cyprus

- Government has put in place some schemes for retraining workers in enterprises whose competitiveness or survival is under threat.
- Compensation payments to redundant or displaced workers have generally been higher than the legal minimum and this has cushioned their effects especially when the economy was generating new jobs.
- Managing restructuring has tended to be handled on a case-by-case basis through consultation, collective bargaining and mediation.

Lessons learned from management of restructuring in Cyprus

- Legislation, based on EU norms, obliges employers to consult workers organizations where many jobs are under threat. There are also legal provisions and funds for paying compensation to workers who lose their jobs through restructuring.
- Unions have engaged constructively in negotiations over company restructuring in cases where companies have faced financial problems.