

ANTICIPATING and MANAGING RESTRUCTURING: 27 NATIONAL SEMINARS

VC/0667/08

NATIONAL SEMINAR'S MINUTES Cyprus

Hilton Park, Nicosia, Cyprus on 19 November 2009

1. Introduction

These minutes are intended to provide a summary of the proceedings and results of the National Seminar on Restructuring for Cyprus, which took place at the Hilton hotel in **Nicosia** on **19 November 2009**. The purpose is to highlight the key findings and the main debates during the one day seminar on anticipating and managing restructuring. These minutes are supporting documentation, which should be read in conjunction with the final published version of the National Background Paper on Cyprus, whose author is Mr. Yannis Eustathopoulos of the Cyprus Labour Institute (INEK-PEO).

2. Background

Under a service contract issued by the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission, the International Training Centre of the International Labour Organization (ITCILO) is organizing a series of national seminars on restructuring in each of the 27 member states of the European Union.

The national seminar for Cyprus aimed to present and discuss the most important measures and tools used for anticipating and managing restructuring in Cyprus, and their effectiveness and potential transferability. A National Background Paper (NBP) was prepared for the seminar by an independent national expert. This NBP was developed with the purpose of identifying and describing the existing measures and tools for restructuring at the national and regional levels, as well as highlighting interesting company practices and case studies. The NBP was presented at the seminar as a discussion draft and discussed by a high level, tripartite group of participants from government, workers and employers' organizations plus researchers, academics and enterprise managers. The seminar was conducted mainly in Greek with simultaneous interpretation into English.

3. Participants

Participation at the Cyprus National Seminar on Restructuring was by invitation.

The ITCILO, after consulting with the European Commission, the national expert and other interested parties, sent invitations to a list of representatives from the Cyprus government, the national employers' organizations and the national trade unions, as well as academic researchers on restructuring practices in Cyprus. Representatives from business associations covering specific sectors, such as construction and tourism, were also invited along with managers of enterprises that had been chosen as case studies for discussion at the seminar. The selection of the invited participants took into consideration the need for ensuring a high level of representation including knowledgeable and appropriate representatives from government at the national and regional levels and also from the social partners. The Dublin-based European Foundation for the Improvement of Living and Working

Conditions was invited to send an observer. An official from the DG Employment, Social Affairs and Equal Opportunities of the European Commission also took part.

33 participants attended the Cyprus national seminar coming from the following Organizations/Institutions:

- Ministry of Labour and Social Insurance Services (**6**);
- Ministry of Commerce, Industry and Tourism (**2**)
- Regional Authorities (**2**);
- Trade Unions (**10**)
- Employers' Organizations and Business Associations (**7**)
- Company representatives (for case study testimonials) (**2**);
- Research Institutes: (**4**)

Representatives from the DG EMPL(**1**) and Eurofound (**1**) also took part in the seminar.

In addition, the seminar's organizing team included the national expert, Mr. Yannis Eusyayhopoulos (INEK-PEO), the seminar facilitator, Ms Anna Oikonomou Gribaudo (ITCILO), the seminar chairperson, Mr. Peter Tomlinson (ITCILO) and the seminar secretary, Ms Laura Costamagna (ITCILO).

4. Activities carried out

The national seminar for Cyprus followed the standard agenda for a one day event. After the introductory remarks by the representative of the European Commission and the seminar chairperson from ITCILO, the morning discussions were designed to focus on lessons learned about measures and tools for **anticipating restructuring**. The afternoon sessions were focused on measures and tools for **managing restructuring**.

The formats of both morning (anticipating restructuring) and afternoon (managing restructuring) sessions were similar. The national expert first presented the findings on the topic from the national background paper. This was followed by a round table of high-level panellists from government, employers' organizations and trade unions. The round table addressed a list of pre-prepared key questions about restructuring in Cyprus and led into a general debate involving all participants. After this general plenary discussion, a case study was introduced by the national expert and supported by a testimonial from one of the main persons involved. The participants were then invited by the seminar facilitator to discuss the case in small groups in order to extract any lessons learned, especially success factors. The seminar facilitator then facilitated a feedback session to draw out some conclusions on the effectiveness, utility and transferability of the measures discussed. Finally, each participant was invited to write down on a coloured card the most important lesson learned about restructuring.

After a word of welcome from the seminar facilitator, the opening session of the seminar set the scene for the event through:

1. a presentation of the European Commission's main policies and programmes on restructuring;
2. an introduction about the overall aim of the project and the objectives of the National Seminars;
3. a short presentation about the ILO programme on socially sensitive enterprise restructuring.

On behalf of the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission, Mr. Martin Ulbrich made a presentation about EU policies on

restructuring. The essential elements of the EU philosophy towards restructuring are anticipation, preparation, minimizing the social costs, supporting partnerships (e.g. between the social partners), taking action at different levels, and seeking to reconcile security for workers with the flexibility needed by companies. The EC has conducted a number of sectoral studies on restructuring, see <http://ec.europa.eu/restructuringandjobs>. In addition, the EC has set up a Restructuring Forum which has so far held 9 sessions. Further information on the Restructuring Forum is available on the same website. The EC has also created a collaborative knowledge-sharing website on anticipation and restructuring called *Anticipedia* (see www.anticipedia.eu) and has published a guide for worker training in SMEs (Small and Medium-Sized Enterprises). The EC also offers financial support to assist member states on restructuring through, for example, the European Social Fund, the European Regional Development Fund and the European Globalization Adjustment Fund. The Cyprus seminar is part of an initiative by the EC to gather and share knowledge about restructuring practices and lessons learned in all 27 EU member states.

Mr. Peter Tomlinson of the International Training Centre of the International Labour Organization outlined the aims of the national seminar as follows:

- to exchange of views and perspectives on the national framework for restructuring;
- to catalogue the lessons learnt about restructuring in Cyprus;
- to systematize knowledge about restructuring practices in Cyprus;
- to engages in knowledge sharing;
- and to Identify inputs to the EU Synthesis Report.

Mr. Tomlinson also outlined the key elements of the ILO programme on socially sensitive enterprise restructuring. The ILO emphasizes that although restructuring is generally undertaken to improve enterprise competitiveness or to ensure the survival of an ailing firm, it should be conducted in a sensitive way taking into account the concerns of all the stakeholders. Though restructuring often involves downsizing and reducing labour costs, there are many options that can reduce the negative effects on employees and employment. ILO research shows that downsizing, if not handled sensitively, often results in industrial disputes, absenteeism, high staff turnover, and consequently drops in productivity, quality and profits. The main areas for improving restructuring practices include policies in anticipation of restructuring, social dialogue, legislation and regulations, and crisis response initiatives.

After the opening session, the key findings from the NBP were presented by the National Expert, Mr. Yannis Eustathopoulos. The key elements of his presentation were the following:

- Cyprus has an increasingly service based economy;
- Tourism and construction are important economic sub-sectors;
- Growth rates between 1999 and 2008 have been higher than the EU average, and the economy was characterized by employment creation and relatively low unemployment;
- During the above period Cyprus was a net recipient of migrant labour.
- Cases of restructuring were relatively few, and mainly concentrated in manufacturing (especially textiles and leather), which has suffered a progressive decline with plant closures and job losses;
- Since late 2008, growth has fallen and unemployment has been rising as a result of the economic crisis;
- There is a sound legal framework for collective dismissals based on the EC directive;
- Cyprus has a well-functioning mechanisms for social dialogue;
- The Ministry of Labour has put in place four basic initiatives to counter the effects of the crisis on employment:

1. intensified efforts by Public Employment Services to find job placements for the unemployed;
2. evaluation and reassessment of employment policies regarding non-EU citizens;
3. intensified campaigns to combat undeclared unemployment;
4. plans for further education and training of the unemployed.



National Expert, Mr. Yannis Eusyayhopoulos, addressing the seminar

4.1 First round table session on anticipating restructuring

Professor Andreas Efstathiades of the European University of Cyprus introduced and moderated the first round table discussion on the following issue: TO WHAT EXTENT ARE EXISTING MEASURES AND TOOLS SUFFICIENT AND USEFUL TO ANTICIPATE RESTRUCTURING IN THE CURRENT ECONOMIC CRISIS?

The round table discussion was organized around five key questions each of which was addressed by one of the panellists:

1. ***Among the existing active labour market policies such as training, counselling, surveys on skills gaps, etc., how do you assess this set of measures and tools? Which measures and tools are most effective and which ones least effective?***

Panelist: Ms Georgia Antoniou, Official Welfare and Social Services Section, Ministry of Labour and Social Insurance Services

Main Points

There is a need to upgrade skills on the Cyprus labour market and to take a longer view in the framework of life-long learning. With regards to training, the Human Resources Development Authority has training schemes for the employees of enterprises, the majority of which are SMEs. Similarly the Cyprus Productivity Centre has programmes to improve the competitiveness of local enterprises. These are the two main instruments offered by the public sector for skills upgrading and training for workers.

2. Are industrial relations of any help in anticipating restructuring? Can participatory industrial relations be a useful instrument for anticipating restructuring?

Panelist: Mr. Nicos Epistithiou, Secretary General for International and European Affairs, SEK (Cyprus Workers Confederation)

Main points

Social dialogue is very important as an instrument for anticipating restructuring. The Cyprus trade unions believe that more can be done to anticipate restructuring using social dialogue in order to identify effective preventative measures. In the past, most interventions have been aimed at improving the compensation packages offered to redundant workers.

3. Is research and development (R&D), such as business innovation centres, partnerships with universities, etc..., an efficient instrument for anticipating restructuring? What are the strengths and weaknesses of R& D initiatives for fostering the creation of new jobs in small and medium-sized enterprises (SMEs)?

Panelist: Mr. Alekos Gregoriades, KOT – Cyprus Organization of Tourism

Main points

The Cyprus Productivity Centre is striving to improve the competitiveness of SMEs in the country. Cyprus is an increasingly services-based economy with tourism being an important source of GDP and jobs. The global economic crisis resulted in a fall in tourist arrivals in 2009 and measures needed to be taken by the government and the tourism operators to revive the industry. There has been no significant restructuring in the hotel industry in the country but competitiveness is an issue.

4. How do you assess the usefulness of measures such as territorial planning and development strategies? Can they be considered effective tools for anticipating restructuring?

Panelist: Mr. Christos Nicolaou, Labour Relations Officer, Lemessou Region

Main points

Local government has an important role in promoting social dialogue at the local level, and in mediating during company level restructuring. Local government also has a role in combating undeclared and illegal employment, which negatively affects the creation of decent job opportunities in the local economy.

5. To what extent can measures that promote enterprise based vocational training programmes be considered useful for preserving jobs during a period of economic crisis or difficulty?

Panellist: Mr. Michael Antoniou, Assistant Secretary General, Cyprus Employers and Industrialists Federation (OEB)

Main points

Though support for worker training needs to be continuous, the effectiveness of publicly funded worker training programmes is not clear. It is the current economic crisis, and the resulting lack of new job opportunities, that have recently made restructuring much more difficult in Cyprus. There needs to be recognition that SMEs will be the sources of new job creation. Employers believe that restructuring is necessary to ensure that Cyprus continues to have competitive enterprises. More restructuring will be needed in the future and more government support for restructuring will be necessary.

General debate on anticipating restructuring

Main points

Cyprus has been taking reactive measure to restructuring rather than preventative ones. Cyprus remains relatively unprepared for restructuring. Currently tourism and construction are suffering the effects on the global economic crisis, though manufacturing has been in decline even before the current economic crisis. Cost competitiveness is a strategic issue for the country's economy. There is a need for more cooperation between the social partners and the government to plan the most effective measures for anticipating restructuring. More efforts are needed to facilitate technology transfer to SMEs. There is not enough funding to support research and innovation.

5. What are the main obstacles to Anticipating Restructuring in Cyprus?

During the wider debate, participants mentioned the following Strong and Weak points concerning anticipating restructuring:

Round table no. 1	<u>Strong points</u>		<u>Weak points</u>
a)	Stable macro economy with relatively low unemployment	a)	Little advance preparation for the effects on enterprises of the current economic crisis.
b)	Sound legislative framework for collective dismissals and worker compensation	b)	Most restructuring measures are reactive rather than preventative.
c)	Willingness by government to consult the social partners and to take initiatives to address the effects of the economic crisis on the economy.	c)	Price competitiveness challenges facing the economy pose threats of increasing levels of restructuring.
d)	Functioning system for social dialogue in an atmosphere of constructive industrial relations	d)	Little evidence of the effectiveness of publicly funded vocational and worker training schemes.

f))	Existing initiatives for re-training and vocational training of workers	e)	Uncertain consequences of changing employment policies regarding migrant workers
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4.2 GROUP WORK Session (Morning) - Anticipating Measures for Restructuring and the presentation of a case study about British American Tobacco in Cyprus”

The objective of the Group work session was to obtain information on the selected measures and tools described in the National Background Paper, including those featured in various case studies, in order to reach a common understanding and consensus about their efficient and positive effects for anticipating restructuring and mitigating its social impact.

To provide a real example to help reach this objective, a **case study** was presented as an example of the measures and tools that are used to anticipate restructuring.

The case study selected was the decision by **British American Tobacco** (BAT) to close down its factory in Cyprus in March 2006 with a loss of 89 jobs. As described in the National Background Paper, this pre-announced closure was the subject of negotiations between the company and the trade unions, which led to an agreement over the compensation to be paid to the redundant workers. Ms Kiki Kalli, former BAT Human Resources Manager, presented the case.

Following the case study presentation, participants were divided into small groups to discuss the effectiveness of measures being used to anticipate restructuring in Cyprus. The group work was facilitated by Ms Anna Oikonomou Gribaudo, consultant to the International Training Centre of the ILO.

The results of this session are summarized in the following table:

Case study	Success factors	Main problems	Potential of improvement
British American Tobacco factory closure	<ul style="list-style-type: none"> ➤ Job placement services ➤ Good compensation package negotiated between company and trade unions. ➤ Psychological support ➤ Special training programmes for redundant workers on preparing CVs and on interviewing skills ➤ The company took positive actions to assist displaced workers. 	<ul style="list-style-type: none"> ➤ Unskilled workers ➤ Factory closure with no options for re-deployment 	<ul style="list-style-type: none"> ➤ It is important that workers continually acquire new skills to improve their employability.

In addition to the above analysis of the case study, the discussion groups highlighted the following points concerning current practices for anticipating restructuring in Cyprus:

- There is a need to gather more information on restructuring in Cyprus and to provide guidance to SMEs about how to approach restructuring;
- In preparation for restructuring, workers need access to opportunities to acquire new skills for ensuring their future employability;
- Measures for anticipating restructuring need to involve government and the local community as well as employers and trade unions;
- Restructuring is a necessary ongoing process but needs to be handled in a socially sensitive manner;
- The government needs to put in place more plans and schemes to assist workers who are at risk of being displaced during restructuring;
- More needs to be done to retain jobs;
- The social partners should meet with government to draw up an action plan for anticipating restructuring in Cyprus.

4.3 Second round table session on managing restructuring (afternoon)

The afternoon round table session aimed to discuss the following topic: MANAGING RESTRUCTURING IN CYPRUS: LESSONS LEARNT FROM PAST EXPERIENCE AND FUTURE PERSPECTIVES

The objective of the second round table was to gather information and assessments from different perspectives (government, employers, trade unions, etc...) on the strengths and weaknesses of the practices used in Cyprus for managing restructuring and to identify areas for improvement.

The second round table was introduced and chaired by Professor Athansios Hadjimanolis of the European University of Cyprus

The round table discussion was organized around four key questions each of which was addressed by one of the panellists:

1 Amongst the existing passive measures such as redundancy payments, early retirement, etc.. how do you assess the practices applied? Which measure is the most effective, especially in relation to disadvantaged job seekers, and which one is least effective?

Panellist: Mr. Loucas Kerimis, Social Insurance Officer, Ministry of Labour and Social Insurance Services

Main points

The Redundancy Fund is one of the most effective measures to help workers in cases when the employer becomes insolvent. Compensation packages have traditionally been the normal practice in Cyprus during restructuring. The law in Cyprus sets out the rights of workers to compensation upon dismissal and also the obligations of employers to consult workers in cases of collective dismissals. During the recent years of high growth, displaced workers were in a good position to find new jobs, but with the advent of the economic crisis this is no longer so.

2 In the context of the current economic and financial crisis, to what extent could the role of collective bargaining change?

Panellist: The nominated panellist from a trade union was unable to attend but trade union and employers representatives present gave their views.

Main points

The economic crisis does not change the established procedures and opportunities for collective bargaining, but may have the effect of producing different outcomes because preserving existing jobs has become a higher priority.

3. How do you assess the effectiveness of measures and tools aiming to prevent mass lay-offs, such as reduction in working hours, elimination of overtime, etc....?

Panellist: Mr. Avraam Stefani, Executive Administrator, Federation of the Cyprus Building Contractors Associations

Main points

The construction industry employs approximately 10% of the Cyprus labour force. The economic downturn has resulted in about 2,900 construction workers becoming unemployed. The Building Contractors Federation is lobbying for public infrastructure projects to be launched in order to create new construction jobs. The industry has applied measures such as reducing working hours in order to avoid dismissals. There is however a problem with illegal practices in the Cyprus construction industry such as the employment of illegal workers and the existence of contractors operating outside the regulations.

4. How to reduce the social impact of restructuring? Is it best to invest in active labour market policies, plus income support measures, or to support new economic and business initiatives that can employ redundant workers? Is there a preference between individual incentives for job-seekers, or investment incentives?

Panellist: Mr. Pavios Kalosinatos, Director-General, Labour Institute

Main points

During its recent history, Cyprus has had high levels of employment so restructuring did not have a major social impact. This is changing due to the economic crisis. Much restructuring in Cyprus goes unrecorded because it takes place in small and medium-size enterprises. There is growing unemployment as a result of job losses in recession-affected sub-sectors of the economy. Jobs can be created through public subsidies, but do they create sustainable employment? There is little evidence that these publicly funded programmes have much impact. The challenges for Cyprus are structural ones and these challenges will give rise to on-going restructuring. Skill levels are a major issue, and the existing practice of importing low-skilled labour from developing countries will not be a solution for the future.

General debate on managing restructuring

Main points

There was much debate about the definition of restructuring. It was felt that much restructuring, for example in SMEs, was not recorded. Restructuring is necessary because Cyprus faces structural challenges around issues of productivity and competitiveness. Productivity growth is an important issue for Cyprus and the country does have scope to increase its competitiveness. There is a need to make a correct diagnosis of the underlying structural factors that will lead to future restructuring in order to be able to address the relevant issues. The preferred approach to managing restructuring is early social dialogue to

find the best options for managing the process of restructuring, followed by the implementation of the restructuring supported by re-training programmes for the workers affected. It was felt that Cyprus should seek to learn lessons about managing restructuring from other countries.



Discussions during a Round Table session

During this wider debate with all the participants the following Strengths and Weak points came out:

Round table no. 2	<u>Strong points</u>		<u>Weak points</u>
a)	Social dialogue and collective bargaining have produced successful outcomes in several case studies of restructuring in Cyprus.	a)	Cyprus is relatively unprepared to support the restructuring in economic sub-sectors such as construction and tourism in the context of the current economic crisis.
b)	The Redundancy Fund ensures that redundant workers receive compensation when an employer goes bankrupt.	b)	Ongoing challenges of competitiveness mean that skills and productivity upgrading are strategic priorities in order to protect existing jobs and to promote job creation.
c)	Retraining schemes and employment services are available to assist dismissed workers find new sources of employment.	c)	Cyprus employers identify illegal employment practices as a problem in the labour market, which is undermining legitimate employers capacity to avoid restructuring.

d)	The number of cases of restructuring in Cyprus is small, reflecting a healthy macro-economy.	d)	SMEs are not receiving support to assist them with managing restructuring.
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4.4 GROUP WORK (afternoon) – Management of Restructuring and the case of Cyprus Airways

During the afternoon a second case study on Cyprus Airways was presented by the national expert and Mr. Adonis Pegasiou of Cyprus Airways. This case study was then analysed in small groups by the participants with facilitation from Ms Anna Oikonomou Gribaudo

Cyprus Airways is the national airline of Cyprus and its majority shareholder is the government. Cyprus Airways has faced increasing competition over the years, and especially when Cyprus joined the European Union and protection of its routes ended. The restructuring of Cyprus Airways was brought on by severe losses, and represents the largest case of restructuring to take place in the Republic of Cyprus. A government supported rescue plan was necessary to save the company, and management of Cyprus Airways committed themselves to drawing up a restructuring plan within a specific deadline. The process of designing and managing the restructuring of Cyprus Airways involved an inter-ministerial committee, the company's management and the trade unions representing the employees. The case is described more fully in the National Background Paper.

The results of the small group discussions on the case of Cyprus Airways are as follows:

Managing restructuring case study	Success factors	Main problems	Potential of improvement
Cyprus Airways	<ul style="list-style-type: none"> • Government intervention and commitment to rescue the company. • Mediation by the Ministry of Labour was used to break a deadlock in collective bargaining and resulted in an agreement between the company and the trade unions. • Voluntary redundancies were used to achieve the restructuring and reduce staff costs. • The company survived and continues to operate. 	<ul style="list-style-type: none"> • Lack of preventive measures before the crisis engulfed Cyprus Airways • The voluntary redundancy scheme meant that many able staff left the company. • The government had little choice but to intervene because it was the main owner of the company. • State financial guarantees were needed to stave off bankruptcy. 	<ul style="list-style-type: none"> • Prevention would have been better than the crisis response which actually took place.



Participants discussing restructuring cases in small groups

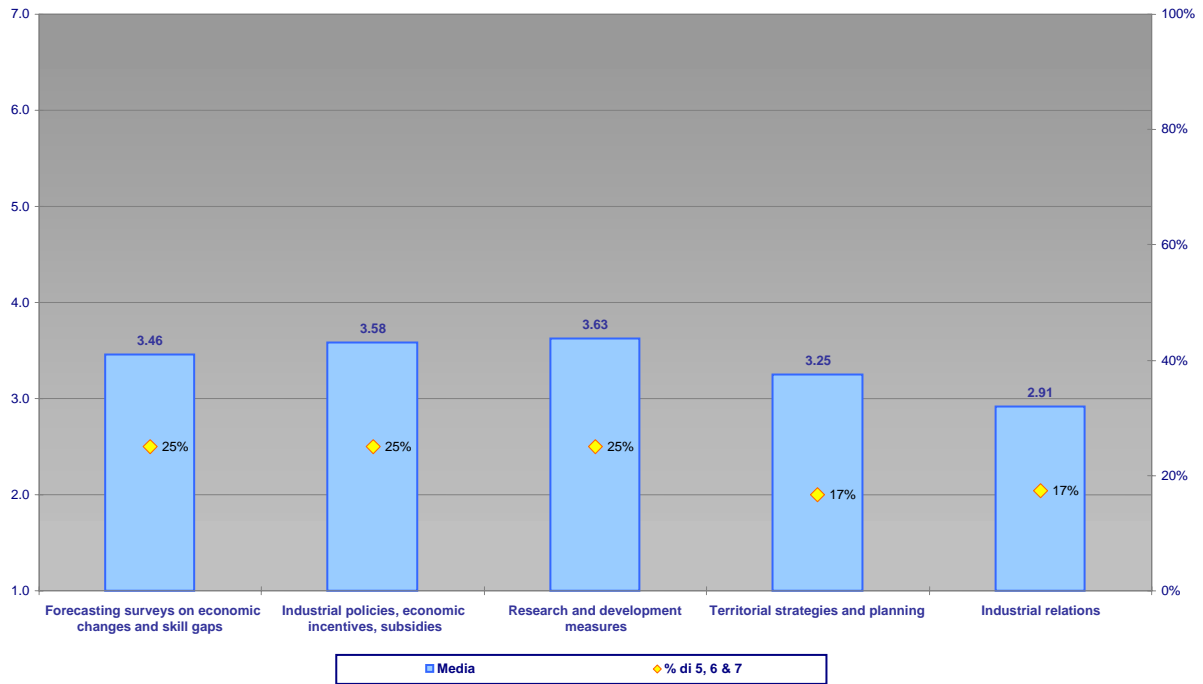
4.5 Evaluation session on effectiveness and transferability of measures and tools for Anticipating and Managing Restructuring

The aim of this exercise was for the seminar participants to identify the priority themes according to the effectiveness and transferability criteria concerning the measures and tools discussed during the seminar.

The graphs below show that among the anticipation measures and tools the most effective is research and development (i.e. innovation), and that this is also considered to be the tool with the highest level of transferability.

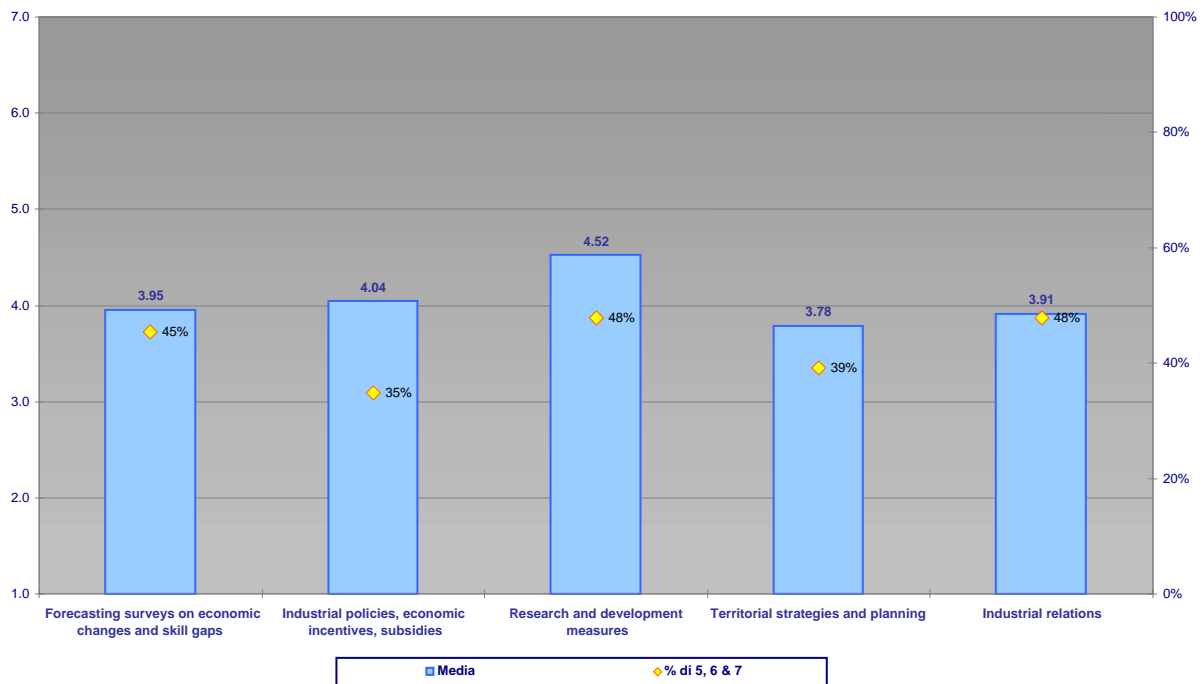
ANTICIPATING RESTRUCTURING

Effectiveness



ANTICIPATING RESTRUCTURING

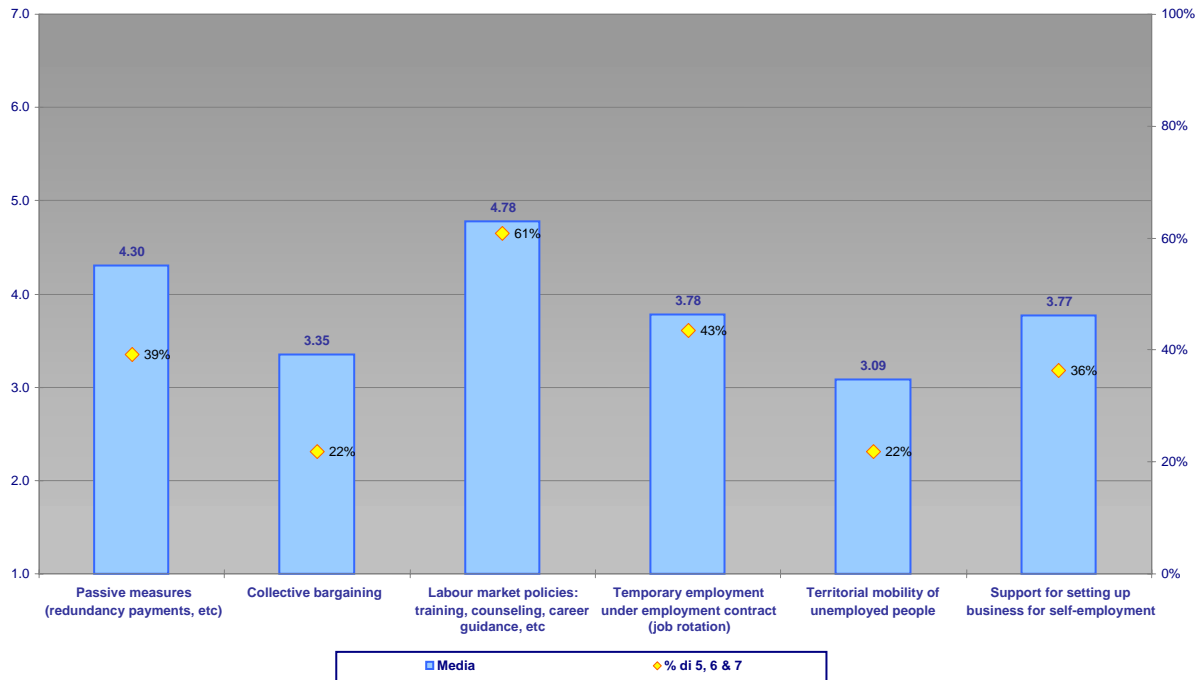
Transferability



Regarding Managing of restructuring the graphs below show that the most effective measure is active labour market policies such as training, counselling etc..., and these same measures are also considered to be the ones with a high level of transferability.

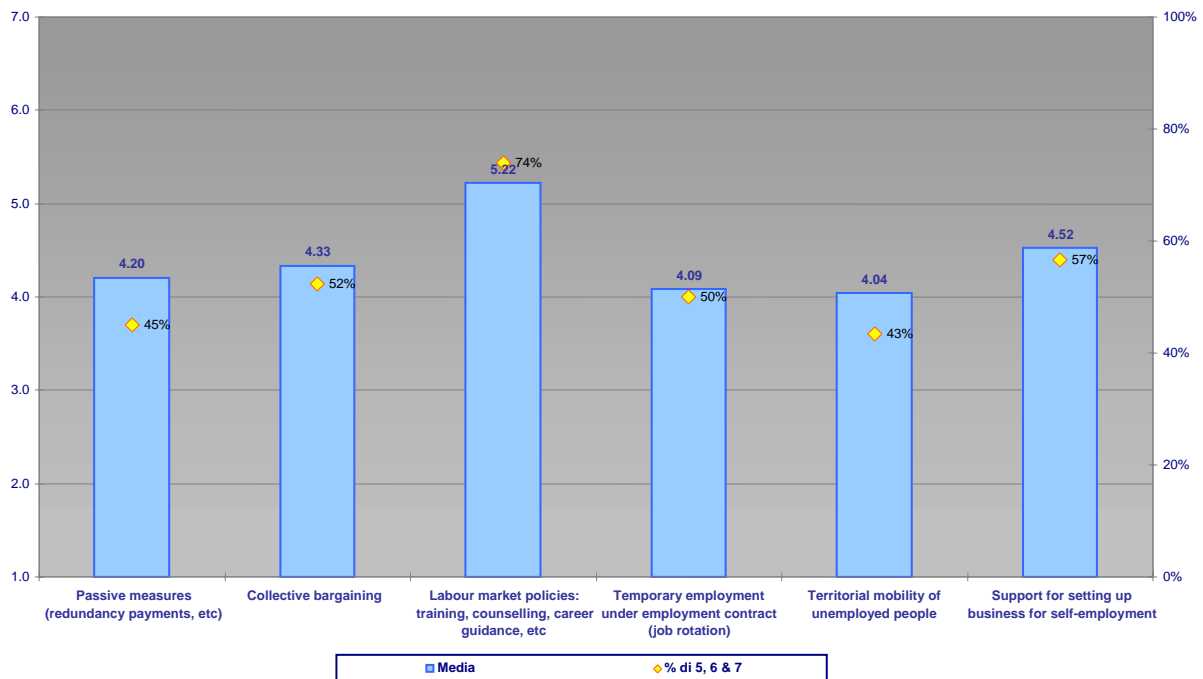
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Effectiveness



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Transferability



5. Conclusions of the seminar debates

Some broad conclusions can be drawn from the debates and discussions that took place at the one-day National Seminar on Restructuring for Cyprus, though these should be read together with the Summary and Conclusions section of the National Background Paper.

They are as follows:

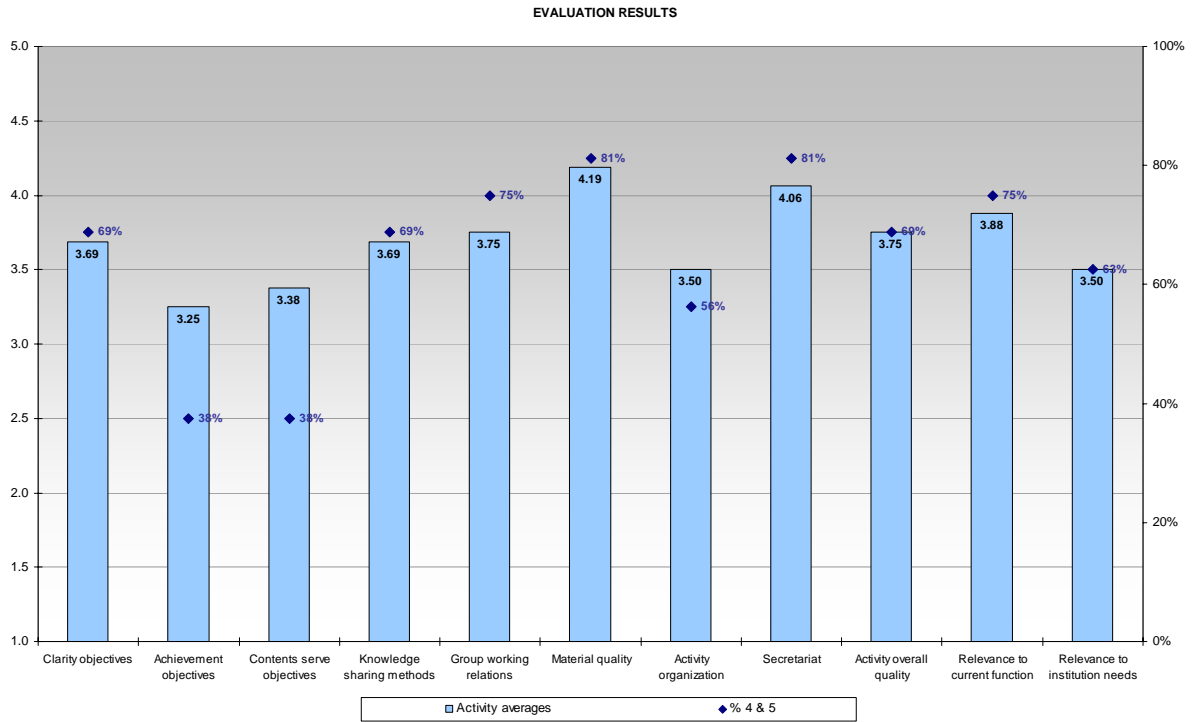
- Owing to the nature of the Cyprus economy (many SMEs and few large enterprises), there have been few cases of restructuring involving collective dismissals.
- These few cases have generally been managed through social dialogue, mediation, and collective bargaining between employers and trade unions, 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.
- The good climate of social dialogue between workers and 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.
- 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.
- Government has put in place some schemes for re-training 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.

6. Main Results

The National Seminar on Restructuring for Cyprus resulted in the systematization of current knowledge and practice on anticipating and managing restructuring in the country, and sharing this knowledge with the government and the social partners. It was a space for analysis and reflection about which practices are working effectively and where there are gaps and challenges.

From the organizational and methodological perspectives, the seminar was well attended by the target audience and the debate was lively. The seminar proved to be a good opportunity for both knowledge-sharing and social dialogue.

The evaluation results of participants' satisfaction with the seminar were quite good (an average of 3.7 points out of a possible total of 5 points). Notably, the score for material quality (i.e. the national background paper) earned the highest mark.



From the technical side, the seminar highlighted how the legislative framework for collective dismissals and restructuring is in line with the EC Directive. The importance of prior consultation and social dialogue are well accepted by the government of Cyprus and the social partners. Equally, it was recognised that there are weaknesses and room for improvement in the current policies and practices for anticipating and managing restructuring in the country.