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EUROPEAN SOCIAL CHARTER

9th National Report on the implementation of the European Social Charter

submitted by

THE GOVERNMENT OF FINLAND

(Articles 2, 4, 5, 6, 21, 22, 26, 28 and 29)

for the period 01/01/2009 - 31/12/2012)

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CYCLE 2014

NINTH PERIODIC REPORT ON THE IMPLEMENTATION OF THE REVISED EUROPEAN SOCIAL CHARTER

SUBMITTED BY THE GOVERNMENT OF FINLAND

OCTOBER 2013

NINTH PERIODIC REPORT ON THE IMPLEMENTATION OF THE REVISED EUROPEAN SOCIAL CHARTER

for the period from 1 January 2009 to 31 December 2012, made by the Government of Finland in accordance with Article C of the Revised European Social Charter and Article 21 of the European Social Charter, on the measures taken to give effect to Articles 2, 4, 5, 6, 21, 22, 26, 28, and 29 of the Revised European Social Charter (Finnish Treaty Series 78-80/2002), the instrument of acceptance of which was deposited on 21 June 2002.

Finland has accepted the Articles from this group with the exception of Articles 4§§1 and 4.

In accordance with Article C of the Revised European Social Charter and Article 23 of the European Social Charter, copies of this official report in the English language have been communicated to the Central Organization of Finnish Trade Unions (SAK), the Finnish Confederation of Salaried Employees (STTK), the Confederation of Unions for Academic Professionals in Finland (AKAVA), the Confederation of Finnish Industries (EK), and the Federation of Finnish Enterprises (FFE).

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ARTICLE 2: THE RIGHT TO JUST CONDITIONS OF WORK

Article 2 § 1: Reasonable daily and weekly working hours

Questions 1 and 2

The working hours are regulated in the Working Hours Act (605/1996). Referring to the fifth periodic report on the implementation of the revised European Social Charter, the Government informs that the scope of application of the Working Hours Act has been extended in 2011 (Act 991/2010) to cover the work of family day care workers in 2011. In practice, the weekly working hours of family day care workers shortened to 40 hours. At the same time Section 7 of the Working Hours Act was amended so that period-based work can be used also in work of family day care workers. This facilitates more flexible working time arrangements in municipalities.

Objective of the amendment was to improve the working time protection of family day care workers and to promote their equal treatment both within the professional group and in the labour market in general. In addition, the aim was to make sure that requirements set in the Working Time Directive of the European Union are met in all employment relationships, also in nursing and child care.

Amendments in the Working Hours Act have increased needs of reorganizing the family day care in municipalities. Furthermore, the changes in the Act require more accurate planning of how to organize family day care in municipalities. For example, after extension of the scope of application of the Act, more attention has to be paid to children's nursing plans and family day care workers' work schedules.

Question 3

	2009	2010	2011	2012
ALL SECTORS	36,5	36,5	36,5	36,3
Agriculture, forestry and fishing, mining and quarrying				
(01-09)	38,5	39,5	39,2	38,5
Manufacturing	39	38,9	38,9	38,9
Electricity, gas, steam and air conditioning supply and				
water supply and sewerage activities	38	37,8	37,5	37,9
Construction	39,7	39,9	39,8	39,8
Wholesale and retail trade; repair of motor vehicles and				
motorcycles	35	34,9	34,7	34,9
Transportation and storage	37,6	37,9	38	37,1
Accommodation and food service activities	31,9	32,2	32,2	32
Information and communication	37,6	37,8	37,8	37,5
Financial and insurance and real estate activities	37,7	37,3	37,1	37,7
Professional, scientific and technical activities	36,7	37,1	37,3	37,1
Administrative and support service activities	34,8	34,2	34,6	34,7
Public administration and defence; compulsory social				
security	37,4	37,4	37,1	37,2
Education	34	34,7	34,6	34,3
Human health and social work activities	36	35,9	35,8	35,4
Arts, entertainment and recreation	31,6	31,5	32,3	32,3
Other service activities	33,4	33,6	33	33,1

Weekly working hours by sector during reporting period 2009-2013

Article 2 § 2: Public holidays with pay

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Article 2 § 3: Annual holiday with pay

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Article 2 § 4: Reduction of working hours or additional paid holidays for workers engaged in inherently dangerous or unhealthy occupations

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Article 2 § 5: Weekly rest period

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Article 2 § 6: Information about the essential aspects of the contract or employment relationship

The Government refers to the fifth periodic report on the Revised European Social Charter.

During the reporting period, Chapter 2, section 4 of the Employment Contracts Act (55/2001) was amended as follows:

"In case of a fixed-term employment contract the employer must inform the employee on the justification for the fixed-term employment contract and also on the duration of the fixed-term contract or an estimated duration of the contract.

In temporary agency work, the employer must inform the temporary agency worker – upon the temporary agency worker's request – on the reasons and the duration or an estimated duration of the user company's order that forms a basis for the fixed-term employment contract between the temporary agency and the temporary agency worker. The employer must also inform the temporary agency worker on vacancies or possible vacancies in the temporary agency equivalent to the tasks in the temporary agency worker's employment contract."

Article 2 § 7: Measures that benefit workers performing night work

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

ARTICLE 4: THE RIGHT TO A FAIR REMUNERATION

Article 4 § 2: Right of workers to an increased rate of remuneration for overtime work

Questions 1 and 2

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Question 3

According to Section 22 of the Working Hours Act (605/1996), the wage payable for the first two hours of overtime above the daily regular working hours is the regular wage plus 50 per cent and for additional hours the regular wage plus 100 per cent. The regular wage plus 50 per cent is payable on hours exceeding the regular weekly working hours.

In case of period-based work, which has continued an entire two or three week period, the wage payable on the first 12 or 18 hours in excess of regular working hours, including preparation and completion work, is the regular wage plus 50 per cent and on any further hours the regular wage plus 100 per cent. If the period has been interrupted because the employee's employment relationship has ended or because the employee has been unable to work due to leave, illness or some other valid reason, the average working hours in excess of 8 hours per work day during the interrupted period must be calculated. Wage payable on the first two of these average overtime hours is regular wage plus 50 per cent and on the following hours, regular wage plus 100 per cent.

Calculating of the basic amount of remuneration for overtime is regulated in Section 25 of the Working Hours Act. According to subsection 1, if an employee's wages are determined according to a unit longer than an hour, the wages payable per hour are calculated by dividing the agreed wages by the number of regular working hours. In case of piece-work pay, the hourly wages are calculated by dividing the piece-work pay by the hours spent working. According to subsection 2, if wages include fringe benefits, they are taken into

account in the calculation of wages. Profit bonuses or corresponding payments, made no more than twice a year and independently of the employee's performance, are not included in income payable on regular working hours. By way of derogation from the above mentioned provisions, it can be agreed that hourly wages are calculated by dividing the income paid for regular working hours by an average divider derived from annual regular working hours or by some other average divider which corresponds to the principles laid down in subsection 1.

The methods used to calculate the increased rates of remuneration are in more detail regulated in the collective agreements.

By agreement, wages payable for additional work or overtime can be partly or completely converted into corresponding free time during regular working hours (Section 23 of the Working Hours Act).

According to Section 39 of the Working Hours Act, any agreement whereby the benefits accruing to employees under this Act are restricted is void. However, managerial employees and employees whose primary duty is to directly supervise or oversee work and who do not participate or participate only temporarily in the work of those whose work they supervise or oversee, are entitled to enter into an agreement whereby the remunerations payable on additional work and overtime are paid as a separate monthly remuneration.

Article 4 § 3: The right to a fair remuneration

As the Government has accepted Article 20 of the Revised European Social Charter, the Article 4 § 3 will be reported in the answers on Article 20, according to the Form for the Reports to be Submitted in Pursuance of the Revised European Social Charter (revised) 2008.

Article 4 § 5: Restrictions on deductions from wages

Questions 1, 2 and 3

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Garnishment from earned income

As a general rule, one third of wages, salaries, pensions, unemployment benefits and maternity benefits can be garnished. In this context, also holiday pay, perquisites, commissions and various fees are considered as earned income. The amount to be garnished is calculated from the debtor's income net of tax. Social subsidies, such as rent support and child subsidies, cannot be garnished.

In garnishment, it is always required that a protected portion, *i.e.*, the amount needed for the livelihood of the debtor and his or her family, and one third of the net income exceeding the protected portion are left ungarnished. In the calculation of the protected portion, due note is taken of the persons whom the debtor-supports, including the spouse and the minor children and adopted children of the debtor or the spouse, if residing in the same household. The spouse may be a married spouse, a common-law spouse of the opposite sex or a partner in a registered partnership. If the spouse or the children have an income of their own exceeding the protected portion, they are disregarded in the determination of the protected portion.

Earned income or other income means in the context of attachment the net wages or salaries or income, *i.e.*, the sum which the debtor is left with after the subtraction of the tax and the mandatory premiums from the gross wages or salary.

The debtor must be left with a protected portion, which as of the beginning of 2013 is \in 22.30 per day for the debtor and \in 8.01 per day for each dependant (*e.g.* child).

To the protected portion of the debtor, (*i.e.* \in 22.30 per day) is added \in 8.01 per day for each dependant. The number of dependants is indicated in the withholding notice which the enforcement authority sends to the payer of the debtor's wages or salary.

The protected portion is calculated by multiplying the protected portion per day by the number of days in the payment period of the wages or salaries or other income subject to withholding. If the wages or other income is paid for a calendar month the number of days is always 30.

The protected portions are adjusted annually in accordance with the national pension index.

Protected portion per calendar month as of 1 January 2013 are:

Single debtor: € 669.00 Debtor + 1 dependant € 909.30 Debtor + 2 dependants € 1,149.60 Debtor + 3 dependants € 1,389.90

Withheld amounts (in the list below wages mean all income):

- 1. If the wages are less than the protected portion there will be no garnishment.
- If the wages exceed the protected portion but are at most double the portion, the amount to be withheld equals 2/3 of the amount that exceeds the protected portion ("income limit garnishment" 2/3 x (wages protected portion)).
- 3. If the wages are more than double the protected portion but at most four times the portion, the amount to be withheld equals 1/3 of the wages.
- 4. If the wages are more than four times the protected portion, the amount to be withheld equals 1/3 on the amount that equals four times the protected portion and 4/5 of the amount exceeding that. As maximum, half of the wages is withheld.

ARTICLE 5: THE RIGHT TO ORGANISE

Questions 1 and 2

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Question 3

Age group	2009	2010	2011	2012	
ALL	82,9	84,2	83,6	88,1	
18–24	58,8	58	53,2	57,5	
25-34	76,6	79,2	77,6	81,4	
35–44	87,2	84,8	85,2	92,4	
45–54	87,9	90,7	90,8	93,2	
55+	87	91	88,4	93,3	

Members of trade unions and unemployment funds (% of all employees)

Members of unemployment funds only (% of all employees)

Age group	2009	2010	2011	2012
ALL	11,8	12,3	15,6	13,5
18–24	5	8	5,1	6,6
25–34	13,2	16	19	14,1
35–44	17,9	14,3	17,5	17
45–54	8	10,4	13,9	12,6
55+	11,8	12,3	15,6	13,5

ARTICLE 6: THE RIGHT TO BARGAIN COLLECTIVELY

Article 6 § 1: Joint consultation

The Government refers to its earlier periodic reports on the Revised European Social Charter.

Article 6 § 2: Machinery for voluntary negotiations

Questions 1 and 2

The Government refers to its earlier periodic reports on the Revised European Social Charter.

The Supreme Court has in its ruling *KKO:2010:93* stated that a provision in a company's profit sharing scheme, according to which taking part into an illegal industrial action would diminish the amount of bonuses, was discriminatory. Bonus had to be paid also to employees who had taken part into an illegal industrial action.

Question 3

There are over 150 generally binding collective agreements in Finland. All generally binding collective agreements are published in an official database <u>www.finlex.fi</u>. The exact number of normally binding collective agreements is not available, as normally binding collective agreements are not registered or published officially.

Article 6 § 3: Machinery for conciliation and voluntary arbitration

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Article 6 § 4: Right to bargain collectively

Questions 1 and 2

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Question 3

In 2012 Helsinki District Court ordered technical workers of Finnair to stop industrial actions with EUR 2.8 million penalty of fine. The court case is significant as there is no legislation or previous case law on whether a precautionary measure can be used against trade union in order to stop an industrial action. The Labour Court held that the industrial actions were illegal (*TT 2012:74* and *TT 2012:75*), but it did not rule on the legality of the precautionary measures. At the moment, the case is pending before the Supreme Court.

Number of industrial actions in 2009–2012

Year	Industrial actions	Participating employees	% of employees	Participants per industrial action	Lost working days per participant
2009	139	50 485	2,1	363	1,8
2010	191	137 526	5,6	720	2,3
2011	163	59 164	2,4	363	2,2
2012	86	14 984	0,6	174	1,2

ARTICLE 21: THE RIGHT TO INFORMATION AND CONSULTATION

Questions 1, 2 and 3

The Government refers to its fifth periodic report in this respect and informs that the Act on Co-operation Ombudsman (216/2010) took effect on 1 July 2010.

The Co-operation Ombudsman supervises compliance with the Act on Cooperation within Undertakings and other Acts associated with personnel representation systems. The Cooperation Ombudsman operates independently under the Ministry of Employment and the Economy. The term of office is five years.

The Co-operation Ombudsman's tasks are as follows:

- To provide instructions and advice on the application of the relevant legislation. The Co-operation Ombudsman has the right to perform an inspection of a company if there is reason to suspect violations. In addition, notice may be issued by the Ombudsman to remedy an illegal procedure or prevent its recurrence.
- 2. To promote awareness of the relevant legislation.
- 3. To maintain a personnel fund register.
- 4. To promote and improve through initiatives and instructions co-operation between employers and employees, and the implementation of other personnel representation systems.
- 5. To monitor the reaching of the objectives of the relevant legislation.
- 6. To request a statement from the Labour Council on whether the Act on Co-operation within Undertakings or the Act on Co-operation within Finnish and Communitywide Groups of Undertakings has to be applied in the company or group of companies in question.

The Co-operation Ombudsman may ask a court to oblige an employer or a company to fulfill its obligations set in relevant legislation and to impose a conditional fine in order to encourage compliance with the obligation in question. The Co-operation Ombudsman may also present a matter to the police authorities for preliminary investigation.

The Co-operation Ombudsman is entitled to obtain from the employer, free of charge, information and documents necessary for monitoring legal compliance. The Co-operation Ombudsman may impose a conditional fine on the employer in order to encourage compliance with the duty to disclose information.

Upon notification of a suspected violation of provisions and regulations falling under the Co-operation Ombudsman's supervision, the identity of the informant and the supervisory measure implemented must be kept confidential. However, the informant's identity may be disclosed, if this proves to be necessary for supervision purposes and the informant has given consent thereto. The identity may be disclosed without the informant's consent to police authorities for the purpose of solving a crime.

In practice, the Co-operation Ombudsman can be contacted by post, phone or e-mail by employers, employees and representatives of personnel groups, such as shop stewards, elected representatives or co-operation representatives. There are no formal requirements for contacting the Ombudsman.

ARTICLE 22: THE RIGHT TO TAKE PART IN THE DETERMINATION AND IMPROVEMENT OF THE WORKING CONDITIONS AND WORKING ENVIRONMENT

Question 1

The Government refers to the fifth periodic report on the Revised European Social Charter.

The Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces (Enforcement Act, 44/2006) is the most important statute regulating the right of employees to participate in decisions on working conditions and the working environment and their improvement. The Enforcement Act and other relevant legislation were described in the previous fifth periodic report concerning the Articles covered by the present report. Section 26 (3) of the Act, concerning issues to be handled in cooperation, has been supplemented with provisions on development objectives and programmes to support continued careers of employees (1327/2011).

Questions 2 and 3

The Government refers to the fifth periodic report on the Revised European Social Charter.

ARTICLE 26: THE RIGHT TO DIGNITY AT WORK

Article 26 § 1: Sexual harassment

Questions 1, 2 and 3

The Government refers to the fifth periodic report on the Revised European Social Charter. The previous periodic report describes the general instruction on the enforcement of occupational safety and health; Instruction 1/2010. In addition to this general instruction, concerning all enforcement, the Ministry of Social Affairs and Health has issued instructions on the following subjects covered by the enforcement of occupational safety and health:

- monitoring of physical violence and the threat thereof; Instruction 2/2010

- monitoring of harassment and other inappropriate treatment; Instruction 1/2011

- monitoring of discrimination at work; Instruction 1/2012

Article 26 § 2: Recurrent reprehensible or distinctly negative and offensive actions in the workplace or in relation to work, other than sexual harassment

Question 1

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation and practice have remained unchanged.

Reform of the non-discrimination legislation is still on-going with an aim to be concluded by year 2013 at the latest. One of the objectives of the reform is to set up an Equality Ombudsman whose tasks would be to monitor application of the Non-discrimination Act and to promote equality and prevent all forms of discrimination. The proposed Equality Ombudsman would work independently and impartially with, *e.g.*, right to obtain information and make inspections on matters within the Ombudsman's competence. In its ruling 2010:6 Helsinki Court of Appeal took a position on cancellation of employment contract on grounds relating to the employee's sexual orientation. In the case the employer cancelled the employment contract after finding out that the employee's spouse was of same sex. The court held that the employer had cancelled the employment contract on discriminatory grounds and obliged the employer to pay the employee compensation for discrimination. In addition, the employer was obliged to pay compensation for unlawful dismissal.

Questions 2 and 3

During the reporting period, the Government authorities have organised or taken part in many projects and campaigns against discrimination and harassment.

As mentioned in the previous periodic report, the Legal Affairs Unit of the Ministry of the Interior maintains the website <u>www.equality.fi</u>, which is a data and material bank on equality and non-discrimination. Also *the Discrimination-free Zone* -campaign (*Syrjinnästä vapaa alue*) is still on-going, as well as a media campaign *Asenne meininki* – *Attitude solution* that helps employers and youth from disadvantaged backgrounds to meet each other.

YES – Equality is Priority (YES – Yhdenvertaisuus etusijalle) is a national information campaign on non-discrimination, co-financed by the EU Progress Programme. The campaign is implemented by the partnership of different ministries, Defence Command, Advisory Board for Ethnic Relations, Advisory Board for Roma Affairs, Sámi Parliament, and NGOs representing different minority groups. The campaign tackles following grounds of discrimination: ethnic origin, age, religion or belief, disability, sexual orientation and multiple discrimination. The YES is coordinated by the Ministry of the Interior.

The objectives of the *YES* are awareness-raising and capacity building on equal treatment and non-discrimination, as well as promotion of diversity within the Finnish society. In the framework of the *YES 2* and *YES 3* projects in 2009–2010 tools for tackling equality, discrimination and diversity issues at workplaces were developed for different actors in the

field of employment and the economy. These tools included, *e.g.*, materials, training and information dissemination. Publications and materials present equality legislation, good practices on diversity management, as well as solutions and forms of support for employing people with a disability or people with a partial capacity to work.

In 2009 the Ministry of Employment and the Economy organised, in co-operation with trade unions, training on equality, anti-discrimination and diversity for shop stewards and trustees. The objective of the training was to provide information on support and advisory services for fellow workers, who have been discriminated against or who are at the risk of discrimination at workplaces. A guidebook on equality, non-discrimination and diversity was prepared and disseminated for the use of workplaces (*Diversity – an opportunity in working life*)¹.

Furthermore, counsellors from the local Employment and Economic Development Offices where trained on equality, anti-discrimination and diversity issues emerging in employment and entrepreneurship services. The training also focused on the development of support and advisory services for future entrepreneurs. On top of that, a brochure for employers and entrepreneurs using services of the local Employment and Economic Development Offices was published. The brochure provides information, *e.g.*, on the benefits of diverse workforce and state subsidies that employers can get, when they hire a person in a difficult employment situation.

In 2010 the Ministry of Employment and the Economy carried out a mapping exercise on good practices in diversity management, and produced a publication *Success from Diversity* – *Vitality from Difference (Menestystä monimuotoisuudesta – elinvoimaa erilaisuudesta)*². Furthermore, the Ministry organised workshops focusing on diversity management and presenting good practices in different organisations. Two workshops on equality planning, targeted at the administration of the Ministry of Employment and the Economy, were organised in co-operation with the Ministry of the Interior.

¹The guidebook can be found in English in: <u>http://yhdenvertaisuus-fi-</u> <u>bin.directo.fi/@Bin/2dfae48c2e0954e5811f781fbb383382/1382970404/application/pdf/115104/Monimuotoisu</u> <u>usopas_en.pdf</u>.

² The summary of the publication can be found in English in: <u>http://www.yhdenvertaisuus.fi/@Bin/173430/Diversity+practices+Summary+ENGL_FINAL.pdf</u>.

In 2011 the aim of the project was to raise awareness and open debate on discrimination in working life and especially in recruitment, as well as to promote diversity management in public and private sectors.

In 2012 the project had a component to carry out a study on discrimination in recruitment (Discrimination in the Finnish Labour Market, An Overview and a Field Experiment on Recruitment, Publications of the Ministry of Employment and the Economy, Employment and Entrepreneurship 16/2012). Although a fair amount of research on labor discrimination has been carried out in Finland, existing research is rather fragmentized and rarely provides for directly comparable data. Studies often focus on only one aspect of labor discrimination or one discrimination ground instead of all labor-related contexts and all grounds prohibited in the Non-Discrimination Act. The research project filled some of the information gap and produced knowledge which supports the preparation of a national discrimination monitoring system. The study report gives an outline of the degree of discrimination in the Finnish labor market based on earlier research results, re-analyzed survey data as well as official complaints data. The report also gives suggestions for future monitoring of labor discrimination. The project had a component to promote diversity management in the public and private sectors by campaigning and sharing information on the economic benefits of diversity. The project also mapped the contents of the current management education in universities and business schools.³

³ The study can be found in English in: <u>http://www.tem.fi/files/32827/TEMjul_16_2012_web.pdf</u>.

ARTICLE 28: THE RIGHT TO WORKERS' REPRESENTATIVES TO PROTECTION IN THE UNDERTAKING AND FACILITIES TO BE ACCORDED TO THEM

Questions 1, 2 and 3

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation has remained unchanged.

During the reporting period, Labour Court has given rulings on the status of worker representatives in dismissals. In case *TT 2012-83*, the Labour Court found dismissal of a shop steward lawful as there were financial and production-related grounds for dismissal. In *TT 2011-9* the Labour Court ruled that a deputy shop steward enjoyed special protection against dismissal only when he/she was actually performing the tasks of a shop steward. In that case the shop steward was on family leave, but as he was in practice performing his tasks as a shop steward even during his family leave, the deputy shop steward did not have special protection against dismissal. In *TT 2011-5* the Labour Court considered dismissal of a lawfully appointed candidate for the shop steward election illegal.

In the case *KKO*:2009:17 the Supreme Court ruled on a shop steward's position in reorganization of work. The Supreme Court stated that the employer had lawful financial and production-related grounds to reorganize the shop steward's work. The shop steward was the only employee in the relevant occupational group and thus his work could be reorganized.

ARTICLE 29: THE RIGHT TO INFORMATION AND CONSULTATION IN COLLECTIVE REDUNDANCY PROCEDURES

Questions 1, 2 and 3

The Government refers to the fifth periodic report on the Revised European Social Charter. The relevant legislation has remained unchanged.

In its ruling *KKO:2010:20* the Supreme Court took a stand on at which stage, in case of collective redundancies, the consultation procedures and negotiations had to be started. The case concerned a group, whose subsidiary had laid off 450 employees. According to the ruling, the parent company had made a decision on concentration of production before the subsidiary had started consultation procedures and negotiations with its personnel. Thus, the subsidiary – as an employer – had failed to fulfill its obligation to negotiate and was ordered to pay compensation to the laid-off employees.