Industrial relations for a green economy Innovative bargaining processes for a sustainable growth and a quality employment



Project VS/2014/0405 co-founded DGESAI - DG EMPLOYMENT, SOCIAL AFFAIRS and INCLUSION

> **Case Italy USR Cisl Toscana: Solvay**

Innovative bargaining processes for a sustainable growth and a quality employment



PRESENTATION (IDENTITY CARD OF BEST PRACTICE)

Name of initiative/project/ intervention/agreement

Improvement of environmental compatibility of Chemical Plant of Solvay Group in Rosignano. On the site is present a plant producing. Between 1997 and 2007 two turbogas plants have been built to supply electric energy.

Short description

Rosignano Plant is the first built in Italy by Solvay, chemical multinational. This site was chosen to produce soda because the presence of raw materials (limestone quarry, salt, seawater). From its establishment the company took care of many aspects of its workers life such as house, health, schools...

The important impact on area employment during many decades created a strong links among the company, institution and local community. The company is deeply rooted in the community arriving to employ 4.000 people on 20.000 p inhabitants and build infrastructures and other social works. At the same time the territory the growth of touristic industry; industry development happens at the same time of diversification not only industry but also tourism.

Since the Ninenties the problem of environmental compatibility with local context becomes relevant for different factors as concerns production (use of mercury, excessive water consumption of ground water, immission in the environment of toxic substances) on one site and other side some external variables (change in national and European legislation, new constraints for the industry, diverse perceptions of health concept by the citizens and developing an environmental conscience on the territory, weakening between of the link with local community for the decreasing of employment level, development of touristic industry and subsequently necessity of changing le relationship between company and the territory).

Geographic, territorial, sectorial localization

Rosignano Solvay, (Livorno – Toscana), Chemical sectory

Period of activity

Ninenties and 2000

Players /promoters

Companies

Institutions (Rosignano Municipalities e Tuscany region)

Trade union (territorial and sectorial)

Players/ partners involved, their main functions

The company. Solvay faces two challenges: on one side it has to increase its market competitiveness on the other side it needs to invest in technological innovation and improve

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environmental compatibility of its plant. As concerns these goals the company realized new investment: second turbogas plant to obtain energy for the productive cycle and reconversion of the electrolysis that used mercury cell in a new ones with membrane cell far more sustainable and clean. It introduced also other technological innovations to reduce water consumption and improve recycling and to contain the emission of polluting materials.

<u>Trade Union</u>. Sectorial trade union fully understood the difficulties of the company and the need of a strong proposal that could integrate development of plant production, environmental compatibility and relationship with the territory. So it was constantly committed through information rights and with a technical within the company on the productive cycle. Trade Union commitment has been high also a national, regional and local level and it was characterized by a constant iteration both formal and informal with institution in all the consultation desk.

<u>Institution</u>. Rosignano municipality and Tuscany Region were available to direct and manage processes of updating the plant also committing public resources. On this matter was signed a specific programmatic agreement Tuscany Region individuated in Rosignano site a critical environmental area and built a system of relationship and a consultation table and managed protocol with trade unions

Types of Beneficiaries (direct/indirect):

<u>Workers</u>. Technological innovation improved environmental sustainability of the company in the territorial context and performance within the group. It allowed new development perspectives to the productive site and so guaranteeing a certain degree of stability to workers; in soda market of difficulties Solvay decided to close the plant in Portugal while setting some goals to be reached in 2015 for Rosignano.

<u>Local community</u>. Local people benefits from investment by the company first of all thanks to a more healthy environment; secondly there is also a economical benefits: second turbogas central realized in 2007 besides supplying the plant, supply public building and schools of the municipalities.

The choice has positive effects also on touristic industry even tough they are not easily measurable

Human resources involved in the bargaining process and their competencies

- Company management
- Technical expert internal and external
- Trade Union and worker's representatives RSU

Indicators for monitoring and evaluating activities

Arpat was in charge of monitoring and the company has specific information days.

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DESCRIPTION

Starting point of the initiative/project/intervention as related to the territorial context (social, economic, political)

Solvay is market leader in sodic product and in a relevant position in peroxided products and clorosoda.

The company has been always sensible to environmental concerns. A environment committee by trade union officers has been very active. Since the end 90' in local territory environmental sensibility is grown; critical point of Solvay production were disposal in the sea, water and salt consumption and use of mercury in some production. Due to a normative void, that could have make Rosignano plant illegal (the law n. 152 about immission of solid waste in water basin) pushed the company and local institution to look for adequate normative solutions and on the other hand an agreement on a program of improvement of overall environmental impact of the plant.

The actions realized:

- The passage from the mercury based process technology to the "membrane cell" technology eliminating mercury from the process and its leaking in the territory.
- Progressive reduction of solids disposed in the sea
- The company complied with rules but is still committed to further improvement.
- Reduction of the use of ground water substituting it with surface water in order to face summer drought problems.

Trade unions has been constantly informed by the company and institutions. Besides institutional agreement has been signed a national agreement with Cgil, Cisl, Uil to sustain the action included in the program. This agreement sharply highlighted how program agreement between company and institutions was born by common will of company and trade unions to invest to improve workers health, environmental compatibility of the plant and territorial environmental quality.

Description of the socio-economic, territorial, corporate context in which the initiative is based.

The company has been established on site for more than a century. Its relationship with local community and stakeholders changed during the last decades. The plant employing 600 workers is still fundamental for local economy, however local economy had become more and more specialized in tourism.

During the decades in the local territory a strong system of relationship between the company and local institution has been developed with the awareness of employment impact and the needs of defending the environment and public health. This attention translated in a series of agreement that tried to compose different interest and exigencies (for example the Protocol Municipality – Solvay on using depurator wastewater).

Is it possible to describe the "philosophy" inspiring the best practice?

All the subject involved agreed upon the need to reach good level of environmental sustainability for the Solvay Plant, good level of profitability and competitiveness through a synergic action and

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shared by company and institutions with trade unions and participatory processes aimed at local community. This approach is a winning one.

What problems/general needs the interventions is trying to address? What the specific ones are?

The program agreement and improvement actions are concerned to company's need to improve its environmental compatibility (respecting national and European normative), to reduce conflicts with local community and improve its competitiveness both within the group and on the markets.

What the goals/ends the intervention is trying to achieve? What bargaining dynamic had been in place?

- To eliminate mercury from productive cycle
- Minor pollution and resource consumption
- More competitiveness of the company within the group and on its markets.
- More social cohesion in the territory

What activities and instruments the intervention is operational through?

- Use and development of dialogue round table among company, trade unions and public bodies.
- Transformation of productive process passing from mercury cell to membrane cell
- Creation of a new turbogas central
- Water use reduction, suspended solids in the sea reduction

How the actions can increase knowledge and support overcoming specific problem

The case clearly show how environmental compatibility is central both in corporate development policies and local territories development.

As concerns the territorial context what the most innovative aspect of the initiatives are? Why?

Technology without mercury.

An another interesting aspect is the central of turbogas producing for free gas for the productive process as well for public buildings such as schools, municipality.

What the "internal quality factors" of the initiative are? (sustainability, internal efficiency, effectiveness?

Trade Union role within the company, not taking an emotional stance, but it always tried to dialogue with the company, at the same time taking in consideration safety and health of local community as well a clear view on the cost of investing in new technologies and the need of improving efficiency and competitiveness of the product. Awareness of the company of the need to improve its environmental sustainability with investments. A firm attitude and availability of public subjects that sustained the company in searching solution even through public resources for investments.

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The relationship with national trade union.

Is it possible to transfer the initiative in other context?

The players of Solvay case are strongly linked to local context.

Is the initiative reproducible in different contexts?

Yes from a general point of view (reproducing philosophy and relationship models with different models and contexts).

Please point out communication instruments (website, documents, booklets) concerned with the initiative.

Programmatic Agreement company – trade unions

National agreement CGIL, Cisl, Uil to support the action of the Programmatic Agreement company – trade unions

Protocol Municipality -Solvay to use depurator waterwaste

Please write your final considerations

The governance is winning. The emerging power are institutions, enterprise and trade union and their capacity of governance. In other cases prevailed only the application of norm even though brutal

Dialogue between subject showed to be winning.