



ETUC response to the document "European Works Councils: fully realising their potential for employee involvement for the benefit of enterprises and their employees"

In response to the document "European Works Councils: fully realising their potential for employee involvement for the benefit of enterprises and their employees" offering the Commission's thoughts on the first phase of consultation for review of the EWC Directive, the ETUC has made a careful analysis of the document and has carried out a consultation of all its member organisations in order to canvas opinion on the matter. It should come as no surprise that the ETUC welcomes the Commission's document.

European works councils have become important instruments of the European Union's social pillar and the ETUC shares the Commission's view that they have clearly demonstrated their value. It is especially gratifying to see that the document acknowledges the important role played by European level trade unions, especially the European sectoral federations, in this success; a role that has not only been in the setting up of EWCs but also their successful operation. The ETUC also acknowledges the Commission's important role in supporting these efforts, particularly through the budget line promoting transnational co-operation between employee and employer representatives on employee involvement issues.

However, as has been pointed out in the document, in order to ensure that the "undoubted potential of European works councils is fully realised in the years ahead" some of the weaknesses that have been identified in the Directive must also be addressed. The ETUC agrees that "the greatest challenge facing transnational enterprises and their employees over the last two to three years has been the issue of large scale corporate restructuring" and it is "in such situations that employees feel most at risk and most in need of the security provided by being genuinely involved in the process". Unfortunately, as stated in the document, it is true that in some situations "this has clearly, and sometimes dramatically, not been the case". For this reason it is imperative that improvements to the Directive are made, so as to better ensure that information and consultation takes place in a serious and timely manner in all European works councils.

It is to be welcomed that the bases for a number of the solutions envisaged by the ETUC to resolve these weaknesses have been outlined in the document. As well as acknowledging the role of European sectoral federations, the importance to this review of "the advances in Community legislation on employee involvement" is clearly noted: specifically the Directive setting a general framework for information and consultation and the new provisions dealing with employee involvement in the European Company and the European Co-operative Society. The ETUC shares this view and feels that it is especially important that the improved definitions of 'information and consultation' in these more recent legislative instruments are reflected in a revised directive.

The current EWC Directive does not clearly define either the content or means of exercising information and consultation rights. Community legislation is thus inconsistent, since it defines information and consultation rights in different ways in several separate Directives. It is vital that information and consultation should be provided by companies in good time, in other words before any decisions are taken. Moreover, their content should provide workforce representatives with everything they need to proceed with an accurate assessment of the information received. By the same token, EWCs must have the right to a consultation procedure that enables them to draw up their own proposals in time for them, potentially, to be taken on board before the end of the decision-making process.

Equally, with regard to the role of trade unions in EWCs, a revised directive must ensure the right to trade union coordination and support for workforce representatives, both in EWC negotiations and in their general duties. The participation of a member or representative of the sectoral federations in both Special Negotiating Bodies and EWCs must therefore be guaranteed in the legislation. Naturally, this demand is no substitute for either the presence of or services provided by experts.

It is also absolutely essential to have a more closely specified procedure for renegotiating agreements. The current procedure set out in the Directive is unclear. This is particularly the case when EWCs are involved in restructuring or merger processes. It is vitally important that EWCs are fully able to carry out their important role while restructuring is taking place until any legitimate replacement is up and running.

In annex to the letter of 3 March 2004 sent to Commissioner Wallström was a copy of the ETUC's latest resolution on this matter, which clearly outlines the specific changes that the ETUC would like to see made to the Directive. The annex to the resolution lists 26 points, which in the ETUC's view would improve the functioning of the Directive, making it more effective in realising the goals set out in its preamble. Particular attention should be drawn to the importance of bringing in training provisions, shortening the period for negotiations, introducing effective sanctions, preventing abuses of confidentiality, improving recourse to experts, guaranteeing access to sites and introducing the right to preparatory and follow-up meetings (a copy of the resolution is attached).

Finally, the ETUC's readiness and eagerness to enter into the next stage of the consultation process should be underlined. It is however essential that the revision procedure be accelerated in order that employees of multinational companies in all the 25 member states of the European Union can be ensured more effective information and consultation bodies at the European level as quickly as possible.