

What EWC members want



photo: picture alliance

The directive establishing European Works Councils is now ten years old and 15,000 individual EWC members have transformed the legal text into a living reality. As the EU Commission begins its revision of the directive they know best of all what needs changing.

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■ The EU Commission believes that European Works Councils (EWCs) have successfully fulfilled their task of involving employees “in decision-making processes in companies and providing feedback on the development of companies”. However, the reality often looks different. It is only possible to talk about effective information and consultation if the EWC is able to make its own proposals before the company takes the final decision. In 1997 a French court declared the decision by motor manufacturer Renault to shut down its Belgian plant in Vilvoorde to be unlawful, because the EWC had not been involved early enough in the process. Other French courts have subsequently confirmed the basis for this judgement.

Despite these judicial decisions, managers continue to act without involving the EWC. Canadian rail vehicle manufacturer Bombardier, for example, is at present in the process of shutting several European plants. As EWC chair Johannes Hauber from the Mannheim plant comments, “the law should give us the right to prevent management implementing such measures when our right to consultation has not been respected.” Following fierce arguments about the closures, an extraordinary meeting of the Bombardier →

- EWC finally took place, but delegates from the countries affected were still denied the right to participate in subsequent negotiations.

How often?

According to ETUI figures some 81 per cent of all European Works Councils only meet once a year. But as Manfred Monje, responsible for coordinating the work of the EWC of the UK hotel group Hilton from his office in Mainz, points out, “the company thinks in terms of the quarterly numbers, so having one EWC meeting a year doesn’t reflect the reality.” When Hilton recently took over Scandic-Hotels, the EWC was only informed months later – which meant that Monje had lost valuable time that could have been used for early joint working with the employee representatives of the company that had been taken over. For Gottfried Meyer in Remscheid, who heads the EWC for heating engineers Vaillant-Hepworth, six monthly meetings are essential if the system is to function properly. For him, EWC meetings “bring the whole thing alive and create solidarity and unity. Personal contacts are essential and can develop into a real foundation for co-operation at European level.” Heading Meyer’s wish list for the revision of the Directive is the creation of an EWC secretariat as an essential part of the infrastructure for EWC work. “Even though I have full time off as a member of the works council here, I have so many local issues to deal with, that I can’t always worry about the EWC,” he says. “EWC work is a demanding second job – but dealing with it like that that does not match its growing importance.”

At Hamburg publishers Gruner + Jahr EWC chair Peter Reuter is at least given the right to visit all the company’s foreign operations. Reuter recently went to Madrid to visit the representatives of the Spanish workforce. However, in Reuter’s view “it would be better if the steering committee of the EWC had the option of organising its own meetings in order to coordinate work between the annual EWC meetings.” Employee representatives at Hilton also hope that the steering committee will be granted further rights so that plenary meetings can be better prepared.

Who and with whom?

It is above all the language problems that make EWC work complicated. Simultaneous interpretation is provided for official meetings, but it is difficult to hold discussions during evening meals or set up informal contacts without knowledge of foreign languages. The EWC directive does not at present provide for any rights to language training. At Hilton Monje had to pay for an intensive course in English out of his own pocket, although other companies are prepared to fund language studies abroad for several weeks.

There are also problems of intercultural understanding. In order to be able to evaluate the economic and social information provided, Rolf Zimmermann, deputy chair of the Allianz EWC, is calling for clearer regulations on the funding of education and training measures. His demand is supported by the representatives from Bombardier and Gruner+Jahr, as their experience with their own companies in this regard is similarly unsatisfactory.

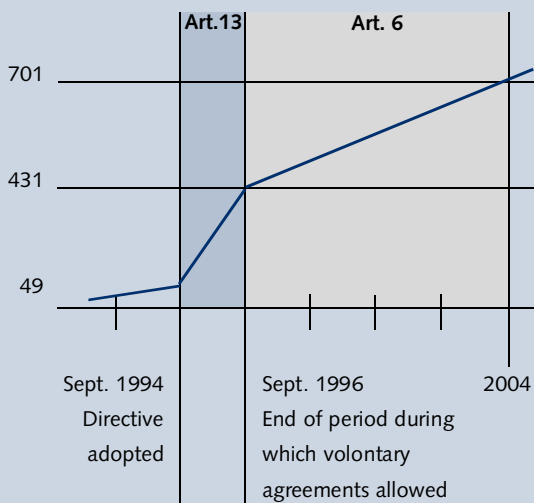
As trade unions are not explicitly mentioned in the current EWC directive, full-time union officers are only allowed to participate in meetings as ‘experts’ – unless their participation is specifically laid down in the EWC agreement. Although it is now common practice for these agreements to be signed also by the European trade union federations, the management of the UK Hilton group have, for example, absolutely refused to permit a representative of the European federation covering hotel unions (EFATT) to be present at the negotiating table. And at Bombardier, the trade union officer attends at the union’s expense, as the company refuses to pay the costs for external advisers. Vaillant works council member Meyer sees this as proof of an extremely short-term approach. At European level, he argues, the trade unions are essential partners for both employees and employers in resolving conflicts. This means a revision of the Directive changing this would be high on his list of demands.

How resilient?

Despite the provisions of the current directive, some of the EWCs – particularly in the motor industry – have

Ten years of EWC growth

Number of European Works Councils
701 - but the rate of increase has slowed



Source: ETUI - EWC Multinationals database, 2004

Of the 2,105 companies affected by the EWC directive*, only about a third – 701 – had set up an EWC by May 2004. Without company mergers (which often result in the merging of EWCs) the figure would have been 923. A survey by the European Trade Union Institute (ETUI) found that cross-border mergers and takeovers affected 167 EWCs between 1999 and 2001.

More than half of all EWCs were set up in 1996, shortly before national EWC legislation came into force. Since then there have been on average around 40 new EWCs a year. Unlike most national works councils, the powers of European Works Councils are not ultimately determined by law. A great deal has to be negotiated. Approximately 25 per cent of EWC agreements are governed by German law with French, Belgian and British law each accounting for cover between 12 and 13 per cent.

The directive has applied to the new EU member states since 1 May 2004. Of the 1,051 companies affected by the directive which have operations in the new member states 484 had set up an EWC by May 2004.

*As yet unpublished figures from the European Trade Union Institute: a publication is being prepared for autumn 2004.

succeeded in developing their role beyond that of receiving information and being consulted. Several companies have signed Europe-wide agreements on basic principles of social responsibility. The EWC at Ford succeeded in persuading the company's American managers to sign a European agreement maintaining existing rights and conditions when its components manufacturing division was split from the rest of the business (Ford-Visteon Agreement). And the EWC at General Motors (Opel) has negotiated several agreements with management on the effects of restructuring since 2000.

The employee representatives at Ford and GM have achieved more than might have been expected from the current legislative process. Armin Herber, who coordinates the work of the "General Motors European Employee Forum" from Rüsselsheim, believes that the legislators should enable the validity of formal agreements between EWCs and company management to be legally guaranteed. The Opel Works council members foresee particular difficulties in the UK, where the legal status of collective agreements is a constant source of problems.

Where now?

The European Commission will first establish whether the trade unions and employer associations wish to put forward their own joint proposal for a new version of the EWC directive. If the employer associations decide to enter into negotiations with the ETUC, and agreement can be reached within nine months, it is highly likely that the jointly agreed text will become a new EWC directive. If, however, these negotiations fail, then the ball is in the court of the EU Commission, which will probably then embark upon a revision of the text itself.

An invitation to such negotiations met with little response in the years before 1994, because in particular the British employers' association, the CBI, could not be persuaded. And this time round they have already indicated that they do not see any need for the existing directive to be revised. As a result any changes in the directive are unlikely to have any impact on existing EWC agreements before the year 2007. ■

Further reading

Werner Altmeyer: European Works Councils – Work in progress, in: *Magazin Mitbestimmung*, English Language Edition, 8/2003; also at www.mitbestimmung.de/magazin

Commissions Obreras of Catalonia: European Works Councils. Cases of Good Practice, Barcelona 2002 (also available in French and Spanish)

Peter Kerckhofs: European Works Councils. Facts and Figures, Brussels 2003

Werner Altmeyer: Culture change at the workplace, in: *Magazin Mitbestimmung*, English Language Edition; also at www.mitbestimmung.de/magazine

Armin Herber/Wolfgang Schäfer-Klug: How a European Works Council learned to negotiate, in: *Magazin Mitbestimmung*, English Language Edition, 8/2002; also at www.mitbestimmung.de/magazin

The main changes the European Trade Union Confederation (ETUC) would like in the revision of the directive are set out on the ETUC web site www.etuc.org