

Brussels, 20 February 2008

Commission invites social partners to negotiate about European Works Councils

The European Commission today invited trade unions' and employers' representatives to help improve the role of European Works Councils in consulting and informing employees. European Works Councils (EWCs) currently operate in 820 major companies across the EU, covering some 14.5 million employees. Today's second stage consultation gives social partners the opportunity to start negotiations on updating and improving the way the bodies operate, with a view to revising the existing legislation.

"European Works Councils have a key role in anticipating and managing the social dimension of change in large enterprises Europe-wide. They also contribute to improving corporate governance – a key factor in sustaining competitiveness," said Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities. "For the sake of both, workers and companies, we need to make sure European Works Councils can play their full role during the restructuring process and the mechanisms for dialogue established at transnational levels. I consider the consultation paper to be balanced and to constitute an excellent basis on which the social partners could negotiate a revision of the Directive."

The revision of the 1994 Directive governing European Works Councils is one of the Commission's legislative priorities for 2008. European Works Councils are an important instrument in ensuring socially acceptable corporate restructuring and in developing European partnerships at corporate level.

The social partners are being asked, in particular, to express their opinions on possible measures to ensure the effectiveness of employees' transnational information and consultation rights. They are also asked to recommend ways to improve the practical application of the Directive and ensure more coherence among the various Community legislative instruments in the field of information and consultation of employees.

The consultation with the social partners (under Article 138 of the Treaty) will run for six weeks. They then have the possibility to launch negotiations (under Article 139) with a view to concluding a European-level agreement, which then forms the basis of revised legislation.

Background

European Works Councils are vital to the development of transnational industrial relations and help to reconcile economic and social objectives within the Single Market. After 11 years of activity, all the European stakeholders emphasise the positive impact of these bodies established by Directive 94/45/EC and the decisive role they have to play in the anticipation and responsible management of change.

In April 2004 the Commission launched the first phase of consultation of the social partners on a review of the Directive. This consultation showed divergence of opinion with employees' organisations in favour of a revision and employers' organisations against it. While all social partners agreed on the usefulness of European Works

Councils and the benefits of a clear procedure guaranteeing the timely information and consultation of workers, they noted that it is difficult to organise useful information and consultation without delays and uncertainties and that getting all workers to accept a European Works Council constitutes a challenge.

In March 2005, the Commission again consulted the European social partners simultaneously on the restructuring of undertakings and on the “best-practice” aspect of European Works Councils, encouraging them to negotiate with a view to reaching agreement on the requisite ways and means for promoting best practice. The social partners have included promotion and evaluation of their joint conclusions on European Works Councils in their 2006-2008 work programme.

The European Parliament has given its views on European Works Councils on several occasions. In its Resolution of 10 May 2007 on *Strengthening European legislation in the field of information and consultation of workers*, it called on the Commission to update this legislation in order to ensure a coherent and efficient framework of law, guarantee legal certainty and improve the linking of the social dialogue at the national and the European levels, and to present to it a timetable, in particular for the “long-awaited revision of the Directive on European Works Councils”.

The Economic and Social Committee has also delivered opinions on European Works Councils, the most recent of which, in 2006, recommended “rapid updating” of certain points in the Directive.

European Works Councils: Consultation of the European social partners on the revision of Council Directive

http://ec.europa.eu/employment_social/consultation_en.html

Further information

http://ec.europa.eu/employment_social/labour_law/directives_en.htm

http://ec.europa.eu/employment_social/labour_law/documentation_en.htm