

ON POINT



'The upcoming EU presidencies of Portugal, Slovenia and France together with EU-Com can take this great opportunity to advance legal EU minimum standards for information, consultation and participation.

Without a strong and obligatory voice from workers, the Green Deal will never be able to benefit civil society as a whole'

- Norbert Kluge

EESC Workers' Group Member

STATE OF AFFAIRS

Workers' Voice: present but clearly insufficient

Workers' information, consultation and participation rights are reflected in various European legal sources dating from different historical periods.

Though enshrined in the European Treaties and EU secondary law, the current state of information, consultation and social dialogue outcomes at various level are far from satisfactory when it comes to making an impact and influencing public policies or corporate practices and decisions. The current EU legislative framework in the field of company law and workers' rights lacks concrete references and sanction mechanisms in case of abusive and fraudulent practices, e.g. in the field of crossborder service provision or posting.

European Works Council: largely a symbolic role

Out of the around 1,000 EWCs that exist in the EU, the vast majority are more or less 'symbolic institutions' that do not function well in terms of quality information and consultation, not having any impact on corporate decisions on transnational restructuring and change.

Case studies and larger surveys amongst EWCs have also shown that also the recast of the EWC Directive in 2009 though providing for improvements has had quite little effect on the practice and functioning of EWCs in general.

Societas Europaea: lack of established worker rights

The SE Directive does not establish a uniform right of workers board level representation in the EU but is based on the "before and after" principle. This increasingly has become a problem, as the legal form of the SE has been used by companies to circumvent or reduce workers board level participation.

In Germany for example, it is estimated that at least two million workers currently are not covered by statutory rights of parity workers participation due to avoiding participation by making use of the legal form of the SE and the possibility to "freeze" participation rights.

CURRENT AND FUTURE CHALLENGES

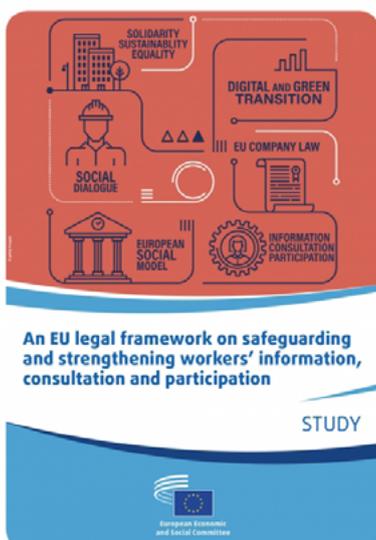
Soft-law initiatives such as the “Quality Framework for the Anticipation of Change and Restructuring” in 2013 and more recently the European Pillar of Social Rights in 2017 have not brought any significant progress as regards more effective information and consultation of workers in transnational restructuring. And on workers’ participation in company boards nothing has happened at all.

WORKERS’ VOICE AND BUSINESSES

Strong workers' information, consultation and participation not only increases job and employment security in crisis situations but also contributes to corporate strategies that are more resilient, better prepared to anticipate and manage change and longer term investments in sustainable growth paths, democracy at work and stronger workers participation not only should be protected and implemented better but should be promoted more strongly.

BUILDING A STRONGER EU FRAMEWORK

- A “mainstreaming of workers participation” as a cross-cutting structural element in all European legislation and initiatives that have an impact on working and living conditions;
- a regulatory framework that guarantees early information and consultation of workers;
- an EWC Directive that better matches current realities and future needs of transnational restructuring and provides the EWCs with necessary resources and competences;
- a level playing field of workers’ board level participation and an approach that actively develops and promotes a mandatory minimum floor of participation rights and dynamic European minimum standards of representation rather than engaging in strategies to avoid such rights (as in legislative initiatives of past);
- a binding EU legal framework on due diligence and responsible business conduct with a strong workers involvement component.



LEARN MORE IN OUR STUDY

Download our full study at the following address <https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/eu-legal-framework-safeguarding-and-strengthening-workers-information-consultation-and-participation> or scanning the QR code below



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