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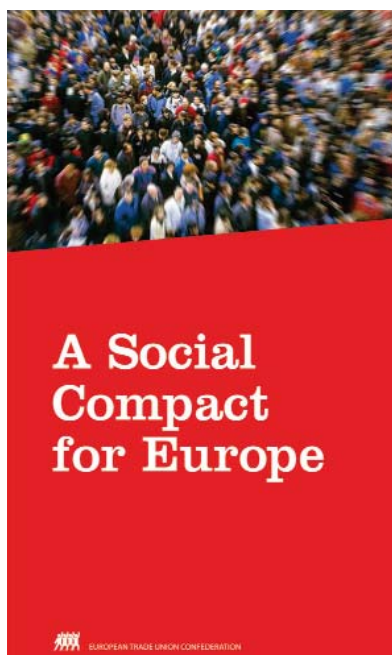


# PARTICIPATION & RIGHTS LETTER



WORKER'S INFORMATION AND CONSULTATION RIGHTS IN EUROPE

## TAKING ACTION FOR EFFECTIVE WORKER REPRESENTATION



The debt crisis and how to get out of it is being discussed everywhere. And so it should. But there is a social debt which is just as central to save Europe as the monetary debt. Programmes imposed on countries in difficulty, but also on other countries wanting to fit in the criteria, concentrate on cuts affecting the most vulnerable, on diminishing social protection and on weakening of industrial relations. It is a systematic enterprise to dismantle the social model which made Europe a place of advanced democracies and reduced social inequalities. There is a social emergency in countries of the south and increased levels of inequalities everywhere. Economic programmes are creating unacceptable free trade zones in Europe, competing with and undermining those still better off. What is now being done to workers in Greece, Portugal, Ireland, Spain will sooner or later come back as a boomerang to hit workers in the North. The situation of young people is especially unbearable. Their level of unemployment is close to or reaches 50% in several countries of the south, while precarious working conditions are on the rise

throughout Europe. Austerity is not only leading to a social emergency. Austerity is also spectacularly failing: it does not tackle excessive debt burdens, nor does it restore market confidence. Instead, austerity further weakens public finances. Even if Greece or Spain were to run a zero deficit, the debt ratio would still explode because of the collapse of GDP and economic activity exacerbated by unsustainable interest rates imposed to meet the expectations of the financial markets.

Who is benefiting?

Casino capitalism is at the root of the problems we are facing today. This system has failed. But capital does not feel challenged and its operation is still protected. Banks manipulate interest rates in cosy offices, but governments continue to focus on making people pay for its failure. The European Union institutions, Council, the European Central Bank and the International Monetary fund must target tax justice, end tax competition and tax evasion and finally -but not only- implement a financial transaction tax.

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Instead they are calling for structural reforms, for cuts in minimum wages, cuts in pensions, cuts in unemployment benefit. This is unfair. This is ineffective. What we need are investments and decent wages leading to sustainable growth.

ETUC will use its strength and influence to change course. A sustainable route beyond the crisis presupposes the reconstruction and strengthening of mechanisms and policies that contribute to reducing various forms of social inequality, and reverse the tendency towards the excessive concentration of wealth.

ETUC supports a European union which promotes good jobs, decent wages, social progress and social justice. We oppose the dismantlement of our social model which serves as a reference and inspiration to workers in the rest of the world.

ETUC has a social project for Europe. In this period when discussions are going around on a new convention and possibly a new Treaty, those in charge must be well aware that we are serious about our demand that social rights should have priority over economic freedoms.

Bernadette Ségol, *ETUC General Secretary*, Ignacio Fernández Toxo, *ETUC President*

The ETUC webpage to the Social Compact for Europe. The leaflet of the Social Compact is available in different languages on the ETUC website. A social Compact for Europe, the document approved by the ETUC Executive Committee.

## THE ETUC CALL FOR A DAY OF ACTION AND SOLIDARITY ON 14 NOVEMBER 2012!



### AUSTERITY DOESN'T WORK!

The European trade union movement has for years been denouncing austerity measures. They are dragging Europe into economic stagnation and even recession. The result is that growth has stalled and unemployment continues to rise. Wages and social protection cuts are attacks against the European social model and increase inequality and social injustice.

The International Monetary Fund (IMF)'s «miscalculations» have had an unbearable impact on the daily life of European workers and citizens. It brings into question the whole basis of austerity policy. The IMF must apologize. The Troika must revise its demands.

Europe has a social debt, not just a monetary debt. The promised recovery has not happened. Twenty-five million Europeans are out of jobs. In some countries, the unemployment rate for young people is over 50 per cent. The sense of injustice is widespread and social discontent is growing.

We want action for sustainable growth and jobs. Not just words. The social situation is urgent.

### THERE HAS TO BE A CHANGE OF COURSE FOR A EUROPEAN SOCIAL COMPACT

European trade unions demand a change of course. The remedies being applied are not working. They are destroying our jobs and our social heritage.

The ETUC seeks a Social Compact for Europe with real social dialogue, an economic policy that fosters quality jobs, economic solidarity between countries and social justice.

Workers are paying a steep price for the crisis and austerity measures, while the world of finance and speculators continue to prosper.

Let's stop tax fraud and put an end to tax havens and tax competition between countries. The financial transaction tax has to help repair the damage of casino capitalism.

### FOR JOBS AND SOLIDARITY NO TO SOCIAL INEQUALITIES

#### We reject:

- Dismantling social protection,
- Increased labour market flexibility,
- Privatisation of public services,
- Downward pressure on wages,
- Lower pensions,
- Deregulation of social standards,
- Social exclusion,
- Growing inequalities,
- Challenges to collective bargaining and social dialogue.

#### We propose:

- Economic governance at the service of sustainable growth and quality jobs,
- Economic and social justice through redistribution policies, taxation and social protection,
- Employment guarantees for young people,
- An ambitious European industrial policy steered towards a green, low-carbon economy and forward-looking sectors with employment opportunities and growth,
- A more intense fight against social and wage dumping,
- Pooling of debt through Euro-bonds,
- Effective implementation of a financial transaction tax to tackle speculation and enable investment policies,
- Harmonisation of the tax base with a minimum rate for companies across Europe,
- A determined effort to fight tax evasion and fraud,
- Respect for collective bargaining and social dialogue,
- Respect for fundamental social and trade union rights.



European Trade Union Confederation • [www.etuc.org](http://www.etuc.org) • #14Nov2012

A European action day will take place in 27 countries, including strikes, demonstrations, rallies and other actions, mobilising the European trade union Movement behind ETUC policies as set down in the Social Compact for Europe. Please consult the ETUC webpage on the ETUC day of action and solidarity for a Social Compact for Europe available in English and French.

The full text of the ETUC Declaration is available in FR, DE, ES, HU, PT CZ.

## NEWS ON EWCS



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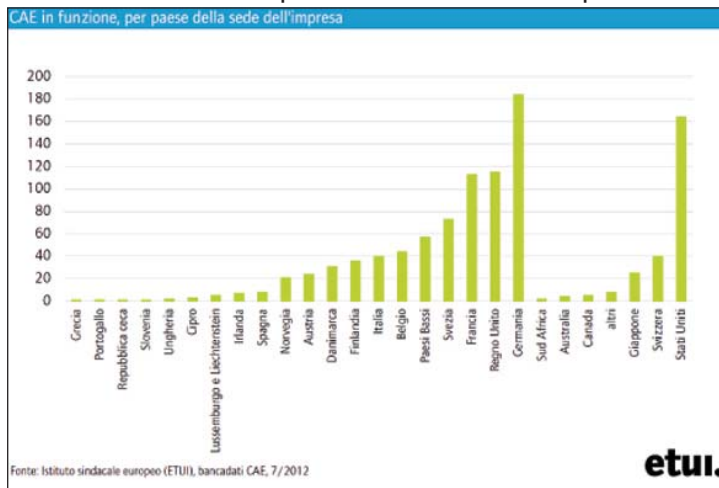


WORKER PARTICIPATION EU  
THE GATEWAY TO INFORMATION ON WORKER PARTICIPATION ISSUES IN EUROPE

### HOW MANY FIRMS IN EUROPE HAVE A WORKS COUNCIL OR A TRADE UNION? IS THE SITUATION DIFFERENT IN MULTINATIONAL COMPANIES? AND HOW MANY EWCs ARE ACTIVE IN EUROPEAN COUNTRIES?

#### AN OVERVIEW ABOUT THE LEVEL OF WORKER'S REPRESENTATION IN LOCAL FIRMS AND IN EUROPEAN MULTINATIONAL COMPANIES

Tools such as the legislative support for the representation of employees at company level, now present both at Community level and in almost all European countries, can be instrumental in guiding the practice of social actors, but are not independently sufficient to achieve universal levels of protection. From a quick overview of the development of employee representation at national and transnational it is visible that, in fact, the situation is steadily improving, but still far from full development. As far as transnational representation within European multinationals is concerned, on the basis of



the data provided by the ETUI database on EWCs, it should be noted that in April, for the first time, the number of EWCs active in Europe has exceeded 1000 and has reached 1016 today. These cover 946 multinational companies (MNCs), as some MNCs have more than one active EWC. Moreover, 61 Negotiations are also underway for the establishment of new agreements. These early data suggest a framework that is certainly positive, but also blatantly insufficient, considered the fact that companies that fall within the Directive 1994/45 exceed 2000

units. Trying to look a bit deeper, we can see that these are mainly EWC agreements signed in large multinational companies with a high degree of internationalization, from the engineering sector, and headquartered in Germany, France, the UK or the USA.

With regard to the company representation of workers at national level, however, according to the 2009 Eurofound Survey on European enterprises (ECS), about a third (34%) of companies with more than 10 employees have a trade union or a works council. This figure, however, is subject to strong differences both between countries, reaching 55% in the Scandinavian countries at the expense of countries such as Greece and Portugal, where the figure is around 20%, and between industrial sectors, and company size.

In general, we can say that the representation in the workplace is more common in countries where national or sectoral bargaining prevail. It is also greater in countries with higher levels of legislative support to representation in the workplace.

If, on one hand the legislative support is an important tool for the dissemination of full representation of workers at the enterprise level, it is meaningless without effective trade union action that will push for the implementation of the provisions of the laws.



## WHICH ROLE DO MULTINATIONAL COMPANIES HAVE IN THE INDUSTRIAL RELATIONS? WHAT ARE THEIR STRENGTHS?

THOUGHTS ON THE SPEECH OF JAN DRAHOKOUPIL AT THE ISPRA'S WORKSHOP ABOUT EWCs

In the current context, you can not help but consider multinational enterprises as a key actor in industrial relations, as they often have an economic and political power higher than that of individual nation states. This, in a nutshell, is the main lesson that can be gained by the intervention of Jan Drahokoupil, researcher at ETUI during the seminar on EWCs held recently at Ispra.

To understand the real power of multinational corporations (MNCs = Multi-National Companies) one should first look at some quantitative data. There are approximately 80,000 MNCs worldwide with a workforce of over 77 million (UNCTAD, World Investment Report 2012). If this data is in itself sufficiently impressive, considering only the first 100 MNCs in terms of turnover, the question of concentration of power emerges even more prominently. These, in fact, have a workforce of over 15.3 million employees and are responsible for over 50% of foreign investment in the world.

The strength of MNCs, however, does not only lie in numbers. As fully explained by Drahokoupil, they have within themselves a series of economic and legal skills that give them the ability to work easily within the various national laws, in search of more favorable contexts for their investments. Therefore, the transnational nature of their action, coupled to the high professionalism of their staff, enables MNCs to work in a context of very limited legal responsibility.

When it comes to MNCs, caution should be exercised with respect to generalizations. In fact, by multinational company, is intended "an enterprise engaged in direct investment, both independently and through the control of some assets in more than one country" (Dunning and Lundan, 2008). From this definition we understand the enormous heterogeneity that characterizes MNCs, as foreign investment can take place on different dimensions: sales, production or activities. The combination of these elements allows for a variety of organizational forms, which, as written by Suzanne Berger in her book *Come competono qui il link non lo mettiamo*, are an indication that, in the global market several effective business strategies can exist simultaneously.

The above-mentioned facts lead to the conclusion that the strong concentration of power of MNCs, their ability to circumvent national laws and their enormous heterogeneity, require a greater commitment of Trade Unions. The MNCs are now one of the most important actors of industrial relations and Unions must not shy away from conceiving transnational strategies to contain their power. In this EWCs are certainly an important first tool to be exploited in order to develop transnational trade union action at the level of multinational enterprises.

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The two articles reported above have been published in the international Newsletter ICARUS, issue in the framework of a EU co-funded project on "Information and Consultation: Approaches of Research coordinating good Union Standard". The 03 project, promoted by CGIL Lombardia in partnership with regional trade union organizations of 5 more EU countries, has a dedicated webpage soon available in several languages.

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## NEWS ON EUROPEAN COMPANIES

### EUROPEAN COMPANY (SE) UPDATES



During the summer period and the first month of the autumn, the pace of SE establishments – in other countries than the Czech Republic – slowed down. As of 1 October 2012 a total of 1,426 registered SEs were listed in the ECDB. In terms of current distribution, the situation did not change a lot: less than one-seventh of the SEs today have been identified by the ECDB as having more than five employees.

In practice, however, the number of normal SEs might be significantly higher as a consequence of the persisting gap in employment information caused by insufficient publication rules in the SE legislation.

[www.worker-participation.eu/European-Company/SE-COMPANIES/SE-Database-ECDB/News-on-European-Companies-October-2011](http://www.worker-participation.eu/European-Company/SE-COMPANIES/SE-Database-ECDB/News-on-European-Companies-October-2011)

## EUROPEAN PROJECTS AND EVENTS



### ETUC ANNUAL EWC CONFERENCE

The 2012 EWC Conference, organised in the framework of the [Infopoint project](#) with the financial support of the European Commission (BH 04.03.03.03), took place in Brussels, on 15 and 16 October 2012. It was attended by more than 100 participants from all over Europe, including EWC members, EWC coordinators and representatives of the European Trade Union Federations.

The main focus was on the concrete impact of the recast on EWC agreements and EWC functioning registered more than a year after the expiry of the transposition period of EWC Directive 2009/38/EC into national legislations. Participants and speakers debated about to what extent progress in the EU legal framework represented actual improvements for EWCs.

Recent evidence of better functioning, better coordination, and more effective rights for EWCs were presented. Trade unionists at all levels exchanged about crucial ways for EWCs to be proactive representatives of the European workforce in multinational companies, within coherent trade union strategies.

In challenging times of enduring change, high level political discussions took place on how EWCs may represent a cornerstone of social dialogue at company level in view of the consolidation of a stronger social Europe. . In this sense the importance of EWCs as trade union tools was strongly remarked.

The report of the EWC conference as well as the material presented by the speakers is available on the Infopoint webpages on the ETUC website in [English](#) and [French](#).

### THE INFORMIA II PROJECT

**EUROPEAN PROJECT ROLE OF INFORMATION AND CONSULTATION OF EMPLOYEES AND WORKERS AT NATIONAL AND EUROPEAN LEVELS FOR THE IMPROVEMENT OF COMPETITIVENESS, EMPLOYMENT GROWTH AND BETTER IMPLEMENTATION OF THE EUROPEAN SOCIAL MODEL (INFORMIA II) VS/2011/0277**

During 2010 the European Commission co-funded a project that investigated the nature and extent of information and consultation arrangements in four EU Member States - Bulgaria; France; Ireland; and Italy; and one candidate country, Croatia. The

study undertaken in the framework of this project *Improvement of the Process of Workplace Information and Consultation for a Better Employees' and Workers' Representation in Europe (INFORMIA)* analysed, not just information and consultation procedures arising from the transposition of the Information and Consultation of Employees Directive but also more long-standing arrangements, such as the European Works Councils (EWC) and health and safety committees.

The second project *The Role of Information and Consultation of Employees and Workers at National and European Levels for the Improvement of Competitiveness, Employment Growth and Better Implementation of the European Social Model INFORMIA II* has been built on the findings of the first phase by investigating the role of information and consultation of workers, both at the EU and national levels, in the improvement of competitiveness, in the creation of employment and as an integral part of the European Social Model.

Seven partner organizations were involved in this second phase. Apart from the co-ordinating partner, the Confederation of Independent Trade Unions of Bulgaria (CITUB), the Bulgarian Industrial Association (BIA) was also partner, together with organisations from Croatia (Union of Autonomous Trade Unions – UATUC); Cyprus (Workers Confederation (SEK)); Italy (Istituto di Ricerche Economiche e Sociali, Roma, (IRES)); Ireland (Irish Congress of Trade Unions); and the UK (Royal Holloway College, University of London).

To implement the objectives of the project there was a series of interviews with employee representatives, in particular members of EWCs, in three business sectors – pharmaceuticals/healthcare, financial services and the food/drink sector. Interviews were also undertaken with trade union officials and management representatives involved in the information and consultation arrangements in a number of transnational enterprises operating in the participating countries. These interviews, explored how the information and consultation arrangements provided for under EU legislation function in practice and, in particular they assessed if the new EWC Re-cast Directive has led to changes in how EWCs work.

To complement the survey, three workshops were held, the first in Dublin in November, 2011, on the topic: The new requirement in the Recast EWC Directive for a link between the EWC and national information and consultation arrangements.

The second workshop was held in London in February, 2012, on Different Models of Employment Relations in Europe and the third workshop was held in Nicosia in April, 2012, on Information and Consultation in Cyprus in the framework of adjusting into a voluntary and statutory system of industrial relations.

All three workshops were attended by a range of practitioners, trade union and employer representatives and by academics with an interest and expertise in the focus of the project.

The findings of the survey and the outcomes from the workshops were brought together in a publication and presented at a final European conference.

The European comparative report is available on line in [English](#), in Italian on the [IRES CGIL website](#) and in all partnership languages on the [webpage of the project](#). The text is also available [here](#). Further details on the INFORMIA and INFORMIA II projects can be found at the [Informia Project webpage](#).

Further details on the INFORMIA and INFORMIA II projects can be found at: [www.informiaproject.org](http://www.informiaproject.org) and <http://informiaproject-2.org>



## CRISIS AND LABOUR REFORMS: THE IMPACT ON SOCIAL DIALOGUE AT COMPANY LEVEL

This European project has been promoted by Unión General de Trabajadores (UGT) Spain, in partnership with Force Ouvrière (FO) France, União Geral de Trabalhadores (UGT) Portugal, Fédération General du Travail de Belgique (FGTB) Belgium, Confederazione Generale Italiana del Lavoro (CGIL) Italy, Confederația Sindicatelor Democratice din România (CSDR) Romania. The European Trade Union Confederation and the European Trade Union Institute also collaborated and supported the project activities. The project's objectives included:

1. Exchanging information between national trade unions at EU level on the effects that recent legislative reforms have had on industrial relations in the workplace and in the practical application of information and consultation.
2. Examining the effects that the consequences of the crisis are having on the form and approach taken to exercising the right to information and consultation in undertakings nationwide, identifying good practice models based on positive and cooperative use of I&C.
3. To provide analytical elements that will enable the European Commission to formulate an improved assessment on the need to revise Directive 2002/14/EC (a fitness check thereof), through the contrast of its real inner workings within the context of companies' labour relations.
4. The exchange of relevant information and feedback regarding the way I&C is put into practice between EU trade union organisations in which company-level social dialogue is at its weakest. In order to meet these objectives, the project's trade union partner organisations have undertaken assessments of recent legislative modifications which may have affected the development of information and consultation within undertakings. In doing that, the project has examined specific cases of undertakings for each country in which information and consultation has contributed to managing the economic crisis or restructuring processes. A brief note on the topics dealt with during the project is available in [English](#). A final report is available both in [Spanish and English](#). For further information please contact Ricardo Rodriguez [rodriguez@labour.es](mailto:rodriguez@labour.es)

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Consult the [Infopoint web pages](#) on the website of the ETUC in order to find out more about projects, activities and events linked to information, consultation and participation rights and practice all over Europe.

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## PUBLICATIONS



### TRANSNATIONAL COMPANY AGREEMENTS: A STEPPING STONE TOWARDS THE INTERNATIONALISATION OF INDUSTRIAL RELATIONS?

This study is the final outcome of the "EUROACTA" project, a European Action on Transnational Company Agreements. The objective was to monitor and deepen diffusion, practices and legal aspects related to the transnational company agreements (TCAs) experiences. Commissioned and supported by the European Commission (budget heading 04.03.03.03 - VS/2011/0154), the action was promoted and coordinated by the Italian national Istituto di Ricerche Economiche e

Sociali (IRES), in partnership with trade union confederations, trade union related institutes and Universities of seven Members States: Italy, France, Spain, Germany, Sweden, Poland and Bulgaria. Thanks to this broad network, it was possible to engage a relevant European group of experts in the subject. The core issue of the collective research focused on the possible kind of regulation(s) which could provide TCAs with some legal certainty. Furthermore, the research aimed at verifying the actual effectiveness of the adopted solutions and to deepen the coordination among collective bargaining actors at all different levels. Two case studies were conducted on the TCAs at Volkswagen and ArcelorMittal. The study is available in English, and further contributions are in Italian, German, Polish, French.

The study will also be published as a book soon: S. Leonardi (a cura di), *Transnational Company Agreements: a stepping stone towards the internationalisation of industrial relations*, Ediesse, 2012.

For further information please contact Salvo Leonardi [s.leonardi@ires.it](mailto:s.leonardi@ires.it), IRES CGIL



The French Institute for Economic and Social Research (IRES) has dedicated its latest issue of its *Revue de l'IRES* (n. 71) to the issue employee participation at European level. The issue includes articles on European Works Councils, the European Company (SE) and transnational company bargaining. All articles are available for free download on the IRES website, abstracts are available in English.  
Source: [www.worker-participation.eu](http://www.worker-participation.eu)

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**CONTRIBUTIONS BY:**

Umberto Bettarini, Fabio Ghelfi, Salvo Leonardi, Marina Monaco, Angelo Motola,  
Kevin O'Kelly, Ricardo Rodriguez, Bernadette Segol, Michael Stollt, Ignacio  
Fernández Toxo, Laura Zunica

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