



Welcome to issue no. 2 / 2014 of EWC News.

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**Der EBR-Fachinformationsdienst**

The Academy for European Works Councils (EWC Academy) is there to inform you about the activities of European Works Councils and related subjects.

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## 1. No layoffs without serious consultation

### Collective redundancies in Spain once again canceled in court



On 12 June 2014, the Spanish Supreme Court for collective labour law (Audiencia Nacional de España), annulled the layoff of 1,190 employees at four bottling plants of Coca-Cola Iberian Partners (CCIP). The court ruling (photo) was a media event in Spain. Once again a Spanish court interpreted the term "consultation" in the French sense and hereby considerably strengthened the role of local and European

works councils in restructuring.

At Coca-Cola, just as in the US automobile supplier Tenneco ruling from February 2014 in northern Spain (see [report in EWC News 1/2014](#)), the issue concerned the correct implementation of the consultation procedure. On 10 December 2013, CCIP announced the closure of four of its eleven filling plants in Spain (Palma de Mallorca, Alicante, Asturias and near Madrid), which would have meant the dismissal of 30% of the Spanish workforce. At the same time, the US-beverage group's

subsidiary recorded a 900 million € yearly profit on the Iberian Peninsula. The first 235 redundancies were announced on 1 April 2014.

During the statutory 30-day consultation period the management showed no willingness to seriously seek alternatives to the closures. This represented a breach of the law in the opinion of the Court. Consultation is useless in such a context and therefore invalid; without valid consultation no redundancies can take place. At the end of the consultation period on 21 January 2014, the sites threatened by closure went on strike, which management proceeded to undermine by relocating production to other sites. In the opinion of the judges this was a serious violation of the right to strike which is guaranteed by the Spanish constitution and aimed at balancing the power of negotiating parties.

- [Report on the court ruling](#)
- [Report on the relocation of production](#) (in German)
- [TV report on the ruling](#)
- [Press release from CC.OO. trade union](#) (in Spanish)
- [Full text of the court ruling](#) (in Spanish)

CCIP is now refusing to execute the court ruling and wants to challenge it before the Supreme Court. But a similar trend could be seen in another case in March 2013 (see [report in EWC News 2/2013](#)). On 4 July 2014 the CC.OO. union filed a preliminary injunction for the immediate reinstatement of all dismissed employees.

### Trade union European-wide action day

The events in Spain had provoked pan-European discussions within the group. Members from the three European works councils of the Coca-Cola conglomerate and trade union representatives held a meeting on 20 and 21 March 2014 in Madrid to establish a European manifesto for a socially sustainable Coca-Cola System. They called for a European-wide day of action on 5 May 2014. Protest demonstrations took place at the group's European headquarters in Brussels, in France, in Germany and in four other countries.



- [Full text of European Manifesto](#)
- [The call for the action day](#)

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### Thorough consultation process saves site



Production has now been resumed on 28 July 2014 at the US automobile supplier Tenneco plant in the northern Spanish city of Gijón. Production had been at a standstill for half a year since the plant was due to be closed. Following tough negotiations, the workforce voted on 17 June 2014 in favor of a site continuation agreement (photo) which provides for workforce reduction through an early retirement scheme. 120 of the 216 employees will continue to work in Gijón.

Although it is only a small site on the outskirts of Europe, the events in the Tenneco case have European wide significance. The closure could be avoided, because employee representatives were confronted with inadequate consultation procedures which could be consistently challenged in court (see [report in EWC News 1/2014](#)). It was only after all redundancies had been canceled in court, that the US-management seriously considered alternatives to the closure. The CEO from the United States discussed this for the first time on 15 April 2014 in Rome with a representative of the European Commission. In a meeting with central management and works councils held on 30 April 2014 in Brussels it became clear that the site would not be closed. Finally, after the successful conclusion of negotiations, the US group's vice president even paid a visit to the site in Spain on 3 July 2014.

Up to now, an in-depth understanding of the consultation model originating from French labour legislation and which strongly influenced the relevant EU Directives has generally been lacking in Germany (see [report in EWC News 3/2011](#)). This is clearly demonstrated by the US automobile supplier Visteon case, whose EWC tried in vain to prevent mass redundancies in Spain in September 2011, through legal proceedings before the Cologne state labour court (see [report in](#)

[EWC News 3/2011](#)). The question arises as to when this issue will be resolved by the European Court of Justice.

- [Overview of relevant court rulings](#) (in German)

### **Forthcoming event: How to consult properly?**

A EWC seminar is being held in Kassel from 29 September to 2 October 2014 which examines information and consultation particularly under the aspect of restructuring. The seminar is also addressed to SE-works councils.

TIPP !

- [Program and registration form](#) (in German)

## **2. German judges restrict EWC work**

### **Steering Committee members may not travel to England**

On 8 April 2014 the labour courts in Lörrach ruled on the rights of a European works council to make site visits. It prohibited the steering committee of the Australian packaging group, Amcor, from sending two of its members to the Cumbria plant (northern England) on 24 April 2014 to directly inform reps on site.



In the opinion of the Court and central management, only British representatives are responsible for passing on EWC information to employee representatives in the United Kingdom. The EWC cannot decide for itself whether its chairman or any other member of the Steering Committee should be entrusted with this task. Although the British representatives had attended the last EWC-plenary session in October 2013, they are not directly involved in the work of the steering committee.

The case raises a fundamental legal issue for all European works councils. Article 10 of the new EWC Directive defines the role of representatives. Accordingly they "shall have the means required ... to represent collectively the interests of the employees". They not only have the right but the duty to inform local representatives about their activities. However the legislator leaves the question open of how this is to be carried out in concrete terms. The State court of Baden-Württemberg in Freiburg will shortly have to deal with the matter since the EWC has filed an appeal against the ruling.

### **External trade union representatives may not participate in meetings**

On 4 June 2014 the labour court in Lörrach passed a further ruling. The EWC of Amcor is hereby not entitled to invite trade union officers to its meetings. This applies even if there is no cost involved. In the opinion of the Court, EWC meetings are not open to the public and trade union officers have no legal right to participate. However, they may request the EWC to participate as an expert should they have special expertise. Unlike the provisions of the EU Directive, in Amcor, participation of experts to meetings is subject to the "approval of both parties", EWC and central management. In other words, employee representatives' experts must first pass through a kind of employer "Assessment Center" before they can start work. The EWC also wants to appeal against this ruling.

### **The Australian packaging group, Amcor**

The European works council was founded in 1998 under German jurisdiction and the EWC agreement last updated in 2002. It is therefore automatically subject to the new EU Directive. Amcor has its European headquarters in Zurich and tries very hard to dispute any room that the EWC has to maneuver. In June 2013 the same court prohibited employee representatives from publishing a critical report about the last EWC meeting on the Intranet (see [report in EWC News 3/2013](#)). There are currently therefore, a total of three court proceedings at Amcor with considerable significance for the entire European works council landscape, assuming they come before the European Court of Justice in Luxembourg.

### **Forthcoming Event**

These legal proceedings will be examined in more detail during a legal EWC seminar being held from 28 to 30 October 2014 in Würzburg. The EWC chairman of Amcor will also report on the current status on 26 January 2015 on the conference of the EWC Academy in Hamburg.

TIPP !

- [Program of the legal EWC seminar in Würzburg](#) (in German)

### 3. New court rulings before EWC establishment

#### First ever EWC court ruling in Italy



For the first time on 7 May 2014, the Court of Appeal in Turin passed a ruling on a case concerning Italian EWC legislation. FIOM, the metalworkers union from the country's largest trade union confederation CGIL, was excluded from the constitution of the Special Negotiating Body (SNB) of Fiat Industrial in 2011. The judges ruled this as anti-union behavior. The truck and engine manufacturer was spun-off from the Fiat group in 2010 and was therefore able to establish its own EWC. Fiat itself has had a EWC in place since 1996.

In Italy, SNB members are not elected by the employee representative body, RSU (comparable to a works council), but are appointed by the unions, and only from those who have signed the industry or company collective bargaining agreement. As a consequence of Fiat abandoning the employers' association and the collective industry agreement, since 1 January 2011, the only agreements which are valid are at a company level and were signed by four trade unions, but not by the militant FIOM. Since then, the FIOM has been excluded from any workplace involvement at Fiat, and consequently also from the SNB. In July 2013 the Italian Constitutional Court in Rome declared this practice to be unconstitutional and the FIOM was given back its RSU mandates (see [report in EWC News 3/2013](#)). The recent ruling therefore represents a consistent application of the Constitutional Court's decision.

- [FIOM press release](#)
- [Full text of the ruling](#) (in Italian)
- [Full text of the Italian EWC legislation](#) (in Italian)

#### New basis for workplace representation and collective bargaining

In Italy, the fundamental issues of industrial relations and collective bargaining are not traditionally settled by the legislator but by the umbrella confederations of the bargaining parties. The last major agreement of this kind was a reform of workplace representation as well as the rules for negotiating company level agreements, in September 2011 (see [report in EWC News 3/2011](#)). According to a ruling of the Constitutional Court from July 2013 however, this had required some amendments. On 10 January 2014 the three large Italian trade union confederations signed a new agreement with the employers' confederation, Confindustria. It can be considered as a kind of "Collective Bargaining and Workplace Representation Act" for Italy.

- [Report on the new framework agreement](#)
- [Full text of the framework agreement](#) (in Italian)
- [Background info: Employee representation in Italy](#)

#### French judges surrender jurisdiction to London

On 17 July 2014, the Paris district court passed a first instance ruling on its competency for the establishment of Manpower's European works council. Although the request for the EWC's establishment had been made by employee representatives from several countries on 28 May 2013, the US recruitment company has, up to this day, not yet convened the Special Negotiating Body's (SNB) constitutional meeting. According to trade unions, after expiration of the legally defined 6-month period, a default EWC should be immediately established under French jurisdiction. The judges however have ruled that London is to have jurisdiction for the EWC and rejected the proceedings filed against the company in France.



In the opinion of the trade unions, France with the largest workforce should be responsible for the establishment of the EWC. Manpower has 95,000 employees in France and only 48,000 in the United Kingdom. All other countries in Europe are significantly smaller. British jurisdiction is applicable, according to the judges, as a consequence of an internal email dated 28 September 2011. This was a request by US central management asking the London office (photo) to conform to all of the obligations resulting from the EWC Directive. Employee representatives were however not informed about this communication. The ruling may be challenged in an appeal court. This

raises two fundamental issues of European wide significance:

1. Can central management decide on its own which country has jurisdiction?
2. What happens when the legally defined period for SNB constitution has expired?

The first issue was the subject of a legal battle in Germany at the U.S. automobile supplier, Visteon (see [report in EWC News 1/2012](#)). The case was settled however without a court decision and the EWC continues to operate under German jurisdiction. In the Manpower case, and in parallel with the legal proceedings in Paris, the British trade union, Unite, requested the intervention of the Central Arbitration Committee (CAC) in London but has since withdrawn the case.

- [British government's Guidance on the EWC law](#)

#### 4. British EU referendum and labour legislation

##### Announced EU referendum coming or not?



While the Labour party and the Liberal Democrats are rejecting a referendum on the fate of the United Kingdom in the EU and the conservative party has promised one for 2017, there was a surprising turn of events at the policy conference of the country's largest trade union, Unite, on 2 July 2014 in Liverpool. Unite is now also calling for a referendum, but to remain in the EU. General secretary Len McCluskey said, "the advantages of EU membership, particularly in terms of social protections and supporting manufacturing investment, outweigh the disadvantages".

- [Unite trade union position](#)
- [Press report on the unions' demands](#)

Since Mrs Thatcher's arrival in office as prime minister in 1979, there has been no social progress made in the United Kingdom, stemming from within the country itself. Any progress in social policy over the last few years has often been a direct result of EU legislation, following the end of the opt-out from the EU Social policy under the Blair government, in 1997. The European works councils were furthermore only introduced into British legislation on 15 December 1999.

According to an evaluation made by the European Trade Union Institute in Brussels, who for the first time in 2009, established the European Participation Index (EPI) based on a points system (see [report in EWC News 2/2009](#)), the United Kingdom was rated with the lowest level of employee participation of all countries in Western Europe. British workers are far more exposed to the arbitrariness of the employer than in other parts of the EU. This invites companies from countries with strong participation, to treat British workers more poorly. For example, after 25 years of service the dismissal of a car factory employee in France costs 200,000 euros as opposed to England, where it's only 7,500 euros. Following a withdrawal from the EU, this situation is likely to continue to worsen. EU membership is therefore a high ranking social policy issue for British workers.

- [TUC brochure "Europe and your rights at work"](#)
- [Current TUC demands on workplace representation](#)

##### What are the scenarios after EU withdrawal?

Should the UK leave the EU, there are several paths onwards for the period thereafter. The Norwegian-option and the Swiss-option. In Norway there was no majority for accession to the EU in the 1972 and 1994 referendums. Norway as well as Iceland and Liechtenstein are however, fully integrated into the common market as a consequence of the European Economic Area agreement. In practice, this means that Norway transposes almost all EU laws into its national legislation, but has hardly any influence on the legislation. The EWC Directive therefore also applies to Norway without restriction.



In Switzerland, the accession to the European Economic Area was rejected by referendum in 1992. However, in order to benefit from the advantages of the common market, comprehensive bilateral agreements between Switzerland and the EU were concluded in 1999 and 2004. By these means, important parts of the EU legislation have been adopted in the Swiss national legislation. In order to prevent Switzerland from "cherry picking", these agreements are inter-connected to one

another through a "guillotine clause"; if a tiny part of an agreement is terminated, all agreements are automatically terminated. In December 2008 Switzerland adhered to the Schengen Agreement and abolished border controls with the EU (see [report in EWC News 3/2008](#)). Since September 2011 the Swiss franc has been coupled to the euro exchange rate to avoid job losses in Switzerland. The European Works Council Directive however does not apply, since there was no majority on it in Parliament, in June 2012 (see [report in EWC News 2/2012](#)).

### **Do British EWC members lose their mandates after EU withdrawal?**

Prior to 15 December 1999 there was no EWC legislation in the United Kingdom. Nevertheless, at that time many large British companies had established a EWC. The EWC agreement was then, for example under Belgian, German or French jurisdiction. Usually the United Kingdom workforce was also integrated into the European works council. In companies with headquarters in Switzerland the local workforce is represented on the EWC in over 70% of the cases. This suggests that in practice, a massive loss of British mandates will probably not happen. The situation is different in EWC agreements under British jurisdiction. It remains entirely uncertain, as to whether or not they will continue to apply or have to be completely renegotiated.

### **Forthcoming Event**

The legal situation following a possible EU withdrawal will be covered in our annual EWC meeting in London on 23 October 2014.



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- [Program and registration form](#)

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### **Limitation of the right to strike - no breach of human rights**



On 8 April 2014, the British laws on strike rights dating from the Thatcher years was the subject of a ruling from the European Court of Human Rights in Strasbourg, for the first time. The case had been filed by the RMT Union (see [report in EWC News 4/2012](#)). In the court's opinion the prohibition of solidarity strikes ("secondary action") in the transport sector is compatible with the freedom of association. The national legislators have herein a certain degree of flexibility. The European Trade Union Confederation (ETUC) in Brussels also published a legal opinion on the hearing. The decision is surprising, since the Court had ruled favorably in a similar case in April 2009, against Turkey (see [report in EWC News 2/2009](#)). The ruling can be challenged in the Grand Chamber.

- [Court press release](#)
- [Full text of the ruling](#)
- [Critical assessment of the ruling](#)

## **5. Newly established European Works Councils**

### **High EWC standard in US Company**

A EWC agreement for PerkinElmer, the US-laboratory outfitter, was signed on 28 May 2014 in Brussels under British jurisdiction. It fully integrates the standards of the new EWC Directive. Transnational competence begins already if only one country is significantly affected. Any restructuring involving at least 30 employees within 90 days in two countries, is considered as exceptional circumstances triggering a consultation procedure. The precisely defined structure of the procedure is remarkable for a British EWC agreement. Short deadlines have however been fixed: the EWC has to render its opinion within 10 working days.



The most important European countries within PerkinElmer are Finland, Germany, Italy and the United Kingdom. Small countries with fewer than 25 employees are not represented in the EWC. Plenary sessions take place once a year in Brussels. The select committee is made up of five representatives from different countries. EWC members have the right to communicate with the entire workforce of those countries having no central or group works council. Although training takes place during EWC meetings, individual members may however participate in external events.

- [Full text of the EWC agreement](#)

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### Another EWC established in US-company



A EWC agreement for Emerson Electric was signed on 18 June 2014 in Brussels. The conglomerate has over 130,000 employees in 150 countries. The agreement is under British jurisdiction and the EWC composed of 27 members from 22 countries. The consultation procedure has been carefully structured with tight deadlines. Two experts may be designated independently of each other. The EWC is involved, if within a 120-day period, at least 300 employees are affected by restructuring in two countries.

The existing European works councils in some subsidiaries are however now being dissolved, such as the EWC of the air-conditioning division established in 2004 or the Leroy Somer EWC in 2011 (see [report in EWC News 2/2011](#)).

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### EWC established in Japanese automobile supplier

A EWC agreement for U-Shin was signed on 18 June 2014 in Bonneuil-sur-Marne near Paris, under French jurisdiction. The Japanese group acquired the door and steering wheel locks manufacturing from the French company Valeo in May 2013. The EWC agreement was negotiated in just half a year. It is closely aligned to the agreement of the former owner, Valeo, where a EWC has already existed since 1999.



The European works council of U-Shin will include five countries. More than half of the workforce represented belongs to Slovakia. According to French custom, the council is chaired by the employer. The employee representatives elect a steering committee made up of five members. Each representative has a right to four days training during the four-year term of office. The EWC has to render its opinion within a "reasonable" period. An exact time limit is not foreseen in the EWC agreement in order to ensure a profound consultation process.

We have compiled a selection of EWC agreements on a [download page](#).

## 6. New SE agreements

### Market leader in online fashion shopping operating as European Company (SE)



An SE participation agreement was signed for Zalando on 17 March 2014 in Berlin. The company, which was founded in 2008 with the help of financial investors, has expanded very rapidly and currently employs 5,000 employees in 15 European countries. Since 2012, it has been setting up its own retail outlets, the first of which was in Berlin (photo). Central management could only avoid a joint parity-based Supervisory Board, through a timely SE conversion. This reasoning plays an important role in many German companies (see [most recent examples in EWC News 2/2013](#)). Germany represents half of all the SE conversions in Europe, which are related to employee participation (see [report in EWC News 4/2011](#)).

The SE agreement provides for three employee representatives on the Supervisory Board (one-third representation), but is otherwise not very employee friendly. The size of the SE works council is as such limited to nine members. Since Zalando does not yet have any local works councils, the German members are elected directly by the workforce. A similar solution was also adopted by Warema, the Bavarian metal-working company in 2009 (see [report in EWC News 2/2010](#)). The SE works council may hold meetings twice per year. Whereas the right to training and the size of the three member steering committee have been restricted to exactly fulfill the legal provisions, the competence of the SE works council has been defined below the legal minimum standard. An extraordinary consultation procedure is foreseen for circumstances affecting 1% of the total European workforce. It is almost certainly the first SE agreement in Europe containing the following

clause: "The SE works council shall not be entitled to file injunction proceedings against measures". It is thereby permanently retrograded into playing a "song and dance act" which is surely not compatible with EU legislation.

- [Press release on SE transformation](#)

### **Zalando = Slaveando?**

The company came under heavy criticism during a television documentary on 14 April 2014. Using a hidden camera, an undercover-reporter exposed working conditions in the logistics department: pressure from supervisors and health risks due to exploitation up to the performance limit. After unmasking the reporter, Zalando started legal proceedings for "disclosure of business and company secrets". A site near Potsdam, where a works council has been elected for the first time, is to be closed. The following texts are only available in German:

- [Press release on TV report](#)
- [Report on legal proceedings](#)
- [Information from the ver.di trade union](#)

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### **Fast outcome to negotiations for French electrical engineering group**

An SE participation agreement for the 50,000 employees of Schneider Electric in Europe was concluded on 10 June 2014 in Rueil-Malmaison, near Paris. This long-established company has 150,000 employees worldwide in 190 countries and the agreement therefore represents the largest SE conversion that has ever taken place in France. It was ready for signing after around three months, even though the Special Negotiating Body (SNB) was composed of 30 representatives from 25 countries. The details were assigned to an eleven member "technical committee" which met three times.



The European works council, established in 1998, is replaced by a SE works council including also Switzerland. It is composed of 38 members, including six from France, as well as three each from Germany, Spain, Italy and the United Kingdom. The employer is chairperson according to French custom. The select committee is made up of ten members representing seven geographical zones who meet together four times per year. There is one plenary meeting a year, with an optional second meeting. The workforce of Invensys is also represented by the SE works council and the EWC of this British technology group established in 2000, is to be dissolved. Invensys was acquired by Schneider Electric in July 2013.

The SE works council shall be consulted in circumstances affecting 10 %, or more than 150 employees, in any country. It can establish its own working groups on specific topics. A time-off work allowance has been defined; select committee members for example, receive 100 hours per year in addition to time-off for meetings. Each representative has a right to five days training per term of office and can even visit all the sites in his/her country once per year. All running costs (interpreters, travel expenses, experts etc.) are borne by central management. In addition, the SE works council has its own annual budget of around 30,000 € for financing additional experts or training.

### **Employee representatives on the Board of Directors**

Six SE works council representatives are included on the SE's Board of Directors with a consultative voice. Since France represents 36% of the European workforce (more than the statutory 25% threshold), the usual French standards of employee participation could be maintained on the SE's board. What's new is now the distribution of these mandates over several countries. In 2007, Schneider Electric had already concluded a ground-breaking agreement for a pro-active and socially sustainable corporate policy with unions at the European level (see [report in EWC News 2/2007](#)).

- [Overview of board level participation in France](#)
- [Background report on Corporate governance in France](#) (in German)
- [Background information on SE employee participation](#) (in German)

## **7. Examples of EWC consultation procedures**



## No dismissals for operational reasons until the end of 2016



On 14 April 2014, the Airbus Group's European works council concluded the consultation procedure on planned restructuring of the space and defense divisions, including the elimination of some 5,800 jobs, at a meeting held at the Ottobrunn site near Munich. Central management had submitted their plans in December 2013 and had been waiting since then for the official opinion of the EWC, because such measures could only be implemented after the completion of a formally correct consultation procedure (see [report in EWC News 3/2011](#)). The EWC had familiarized itself with the intricacies of the procedure at a workshop held in January 2014 in Bremen (see [report in EWC News 1/2014](#)) and rendered its opinion only once compulsory layoffs had been excluded.

After the completion of the European-wide consultation procedure, negotiations started within the countries involved. On 21 May 2014, IG Metall announced the contents of the agreement for Germany and on 22 May 2014 the French central works council's consultation procedure was completed. Whereas the outcome of the negotiations was largely welcomed by the German works councils, French trade unions expressed very different opinions. Compliance to the agreement will be overseen every three months at the national level and at each meeting of the European works council. An evaluation is then to be made in November 2016.

- [Press report on the EWC consultation procedure](#) (in French)
- [IG Metall union press release](#) (in German)

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## Socially-responsible transnational workforce reductions

On 22 May 2014, the Zurich Insurance Group's European works council and its central management concluded a memorandum on minimum requirements for socially responsible restructuring and guidelines for social plans. The largest insurance company in Switzerland wants to cut up to 800 jobs. The memorandum provides for an on-going consultation process with the EWC, so that it is continuously informed on the procedure and able to make constructive contributions. The role of local employee representatives will also be strengthened in the paper, which has a particularly positive effect in the United Kingdom and Switzerland.



The Zurich Insurance Group's European works council was established in September 1996 on the basis of a "voluntary" Article 13 agreement under Belgian jurisdiction, even though it does not even have one single Belgian representative due to the small workforce numbers. The largest countries are the United Kingdom (six seats), Switzerland and Germany (four seats each). An "Implementation Agreement" was concluded in July 2010, as an addendum to EWC agreement to more precisely define the operation of the consultation procedure.

- [Press report on the planned job cuts](#)

## Forthcoming event

A member of the Zurich Insurance Group's EWC steering committee will give a background report at the Hamburg EWC conference on 26. January 2015.

A yellow speech bubble with the word 'TIPP!' in white capital letters.

TIPP !

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## Digital transformation on EWC agenda



The biannual meeting of the European works council of Axa, the French insurance group, was held from 10 to 13 June 2014 in Madrid. The 50 representatives participating from 15 countries held discussions focused on the forthcoming digital transformation of the entire company and its impact on personnel policy, in particular with regards to working conditions and skills management. The implementation is to start in 2015 and last until 2020.

The European works council considers itself hereby, as management's central dialogue partner, since it concerns a transnational issue of the highest importance. Axa was the first company in the insurance sector to conclude a Europe-wide framework agreement on proactive workforce planning with the EWC in September 2011 (see [report in EWC News 3/2011](#)), and which is now taking effect. The EWC select committee started on 24 June 2014 by developing an action plan to ensure employee involvement in the digital transformation.

- [Report on the Madrid meeting](#)
- [Report on the select committee meeting](#)

### Forthcoming event

One of Axa's EWC select committee members will give a report on the EWC's work during a conference to be held in London on 23 October 2014.

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- [Program and registration form](#)

## 8. Business practice in critical moments

### Swedish household appliance manufacturer stays in Italy

At a meeting with employee representatives from its four Italian sites, held on 27 January 2014 in Venice, Electrolux management had announced its intention to relocate part of the production to Poland and Hungary, if there was not a 40% reduction in labour costs. Electrolux employs 3,900 workers in Italy for the manufacture of household appliances. The plans included the complete closure of one of the four plants, and a reduction in size of the other sites.



After strikes and protest actions, the Italian Government stepped in and finally a compromise was reached with their help. The signing of the agreement took place on 15 May 2014 in the Chigi Palace in Rome, the official residence of the Italian Prime Minister. Electrolux is now to make no redundancies and will even invest 150 million euros in the four Italian sites. In return, the group receives tax relief, wage standards are to be lowered and short-time working introduced. To ensure compliance, the agreement will be overseen at a meeting held every six months between employee representatives, management and the government. The events at Electrolux in Italy received a large media coverage and represent a symbol for the Italian industrial crisis.

- [Report on management's original plans](#)
- [Press release from the European federation industriALL](#)
- [Report on the agreement with the government](#)
- [Background Report: Provisions for short-time working in Italy](#) (in German)

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### US-car manufacturer to remain in German



On 6 June 2014, Ford's German central works council concluded a site continuity agreement for the Cologne and Saarlouis plants until 2021. Previously there had been speculations about a relocation to Romania. The workforce had to make concessions on bonuses, more flexible production methods and the elimination of night shifts. Compulsory redundancies are excluded until the end of 2016. At the same time the Spanish plant in Valencia is to receive new products, which now means, according to the EWC chairman, that all West-European car manufacturing plants have a secure future and the new plant in

Romania good opportunities for development. The Belgian plant in Genk will however be closed as planned, at the end of 2014 (see [report in EWC News 4/2012](#)).

- [Background report on relocation threat](#)
  - [German central works council press release](#) (in German)
  - [TV report on the agreement](#) (in German)
  - [Report on the current situation in the Genk plant](#) (in German)
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## List of demands before Finnish shipyard takeover

Meyer Werft shipyard's works council in Papenburg (Germany) presented a list of demands to management on 18 June 2014 under the title "Our position on European Strategy". It lists ten conditions which should be met before the takeover of the Finnish STX shipyard in Turku. In addition to a guarantee for safeguarding German sites, employee participation rights for the Finnish shipyard have also been demanded. A working group made up of works council member from both countries is to be established, since there is currently no European works council. In September 2013, an exemplary company agreement was concluded in the Meyer shipyard for Eastern European subcontractors (see [report in EWC News 3/2013](#)).



- [Report on the list of demands](#) (in German)

## 9. The view beyond Europe

### Demands for new IBM global strategy



Members of IBM's Global Union Alliance met on 15 and 16 April 2014, on the shores of Lake Geneva, in Nyon, to select a new steering group and to adopt a joint strategy platform. The Alliance was established in May 2011 by union representatives from 15 countries as a precursor to a World works council but has not yet been recognized by central management, in the United States. IBM has a European works council since 1999. For the first time in ten years the workforce is to be reduced worldwide in 2014, in spite of the company making profits. IBM employs altogether 430,000 people.

- [Report on the meeting](#)
- [Full text of the strategy platform](#)

### Exemplary framework agreement in the textile industry

The Spanish Inditex group, operating under different brand names (see photo) has grown over the last few years, to become the world's largest clothing retailer. On 29 April 2014 a compliance report was released for an international framework agreement which was concluded in 2007 with the trade unions. Since then it is overseen once a year by a working group composed of three representatives each from the company and the trade unions.



The report contains case studies from several countries and was prepared in cooperation with the Global union federation IndustriALL. The framework agreement includes the entire production chain and covers approximately one million employees, including suppliers.

- [Full text of the international framework agreement](#)
- [Full text of the Code of Conduct for suppliers](#)
- [Agreement compliance report](#)

### Global Occupational Health and safety



An agreement on occupational health and safety with worldwide scope was signed on 13 May 2014 in Antofagasta (Chile) between the French energy company GdF Suez and three international trade union federations. The text is based on a similar agreement that the European works council had concluded in February 2010 for Europe, but which, since then, had already been implemented worldwide. Since November 2010 there is now

also a worldwide agreement on fundamental rights, social dialog and sustainable development for GdF Suez (see [report in EWC News 4/2010](#)).

- [Report on the signing](#)
- [Full text of the agreement](#)

## 10. Interesting Websites

### Siemens' European works council

In May 2014, the Siemens Europe Committee (SEC), the official name of the EWC, launched an EU-funded project to develop a strategic action plan, "Siemens 2020". In the coming months, a European action program with long-term prospects for innovation and employment is to be developed. The SEC has already created its own website.



- [The Siemens project website](#) (in German)
- [The project flyer](#)

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### Works council in the USA?



The Volkswagen employees in Chattanooga, Tennessee, may have rejected the establishment of a works council by a small majority in February 2014, after political lobby groups had intervened massively to prevent a precedent in the anti-union southern states (see [report in EWC News 1/2014](#)). However, this situation should not last a long time, since it is the only Volkswagen plant without representation in the whole world. On the United Auto Workers' (UAW) website, the works council model is clearly explained.

- [Description of works council model for the United States](#)
- [Further on-site information on the current situation](#)

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### Worldwide data on trade unions available



An online trade union database was launched on 25 May 2014. It contains numerous figures by country, region, industry sector and national income for all countries of the world. The database is to be further developed. It is managed by the New Unionism Network, an Association established in 2007 with 700 members from 47 countries, mainly from North

America, the United Kingdom and Australia.

- [The UnionWiki database](#)
- [New Unionism Network website](#)

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### Multilingual Platform for workers from other countries

The Fair Mobility project was launched in October 2011 by the German Confederation of Trade Unions (DGB) and offers information and expert advice for foreign workers in the German labour market. The website is available in German and four other languages. In addition to flyers, seminar modules are available online.



- [Fair Mobility project website](#)

We have gathered together many other interesting websites into a [collection of links](#).

## 11. New Publications



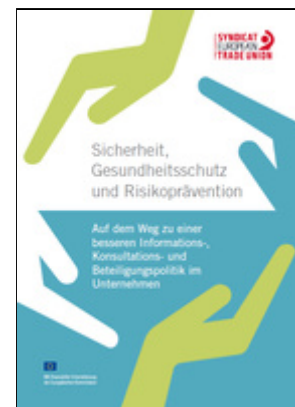
### Advanced training manual for European works councils

This handbook for training multipliers was developed by the IG BCE trade union in Germany together with partners in an EU-sponsored project and released in October 2013. It focusses on improving intercultural skills, team building in the EWC, evaluating the day-to-day work in the EWC, the development of an action plan, as well as on the decision-making processes and conflicts within a EWC. Numerous ideas for seminars and sample agendas are shown in detail. It is also worthwhile reading for EWC members who do not deliver training. One chapter for example is devoted to the legal and organizational framework of EWC work. The 80 page manual is available in English, German and French.

- [Manual download](#) (in English)
- [Other language versions download](#)
- [Project website](#) (in German)

### European comparison of occupational health and safety reps

In January 2014, the European Trade Union Confederation (ETUC) released this brochure on occupational health and safety, as a result of an EU-sponsored project. It includes a presentation of the different models of health and safety representative bodies in the individual EU countries. About half of the 68 page booklet, published in five languages, consists of training documents and bulletins for health and safety representatives. The aim of the project is to promote, cross-border strategies for the prevention of health risks.



- [Brochure download](#) (in English)
- [Other language versions download](#)



### Transnational Company Agreements

This report to the European Trade Union Confederation (ETUC) was published in March 2014. It examines the framework for the judicial safeguarding of transnational company agreements which was demanded by a large majority in the European Parliament in September 2013 (see [report in EWC News 3/2013](#)). There is strong opposition from employers against any legal regulations, although the number of such agreements is steadily growing. Whereas at the beginning there were still only "soft" issues such as gender equality, further education, occupational health and safety, now "hard" restructuring matters are increasingly the subject of such agreements. But so far there has been no certainty about their legal enforceability.

- [Brochure download](#)
- [Database of transnational company agreements](#)

## Survey of German Trade Unions since the crisis

The Friedrich Ebert Foundation released this publication on the German Trade Union Confederation (DGB) in April 2014. It analyses developments in membership, the scope of collective bargaining agreements (bargaining coverage) and the dissemination of works councils in a variety of industries. A separate chapter examines German trade union policies since the outbreak of the financial markets crisis, in particular the campaigns to curb sub-contracting and for the introduction of a statutory minimum wage. The 33-page study is available in four languages. A new study on trade unions in Europe was also released in April 2014.



- [Study of DGB download](#) (in English)
- [Other language versions download](#)
- [Study on European trade unions download](#)

We have gathered a collection of further literature into a [compilation](#).

## 12. The EWC Academy: Examples of our work

### German Tourism group on the way to new EWC Standards



On 15 and 16 May 2014, the select committee of the TUI European Forum met together with central management at the company headquarters in Hanover (photo). With the support of the EWC Academy, they held discussions on the implementation of the standards from the new EU Directive. In addition to updating the EWC agreement a clear and structured process flow is to be developed for the consultation procedure, as is currently being developed or is already implemented in other companies (see [report in EWC News 4/2013](#)).

The tourism group, which is the largest in Europe, had already established its European Forum in September 1996 on the basis of a "voluntary" article-13-agreement which was last updated in 2008. In addition, there was an agreement in 2002 to establish a dedicated airline committee for the group's airlines, which meets twice a year.

### Consumer Goods Manufacturer: benchmarking on consultation

A plenary session of the Unilever European works council was held from 26 to 28 May 2014 in Rotterdam (photo). The council includes 35 representatives from 18 countries. The Anglo-Dutch company is one of the world's largest manufacturers of food, cosmetics and household products. The EWC Academy was commissioned to make a comparison of the work of the Unilever EWC with other companies and to give suggestions for future improvements.



The EWC was established in September 1996 under Dutch jurisdiction and last updated its "voluntary" article-13-Agreement in 2010. Already in 2008, it had developed earlier than other bodies, a protocol with central management to define more precisely a well-structured consultation process divided into several stages. The EWC's coordination committee is composed of up to eight members and meets once a month. This puts Unilever in a leading position, which can only be surpassed in French companies, such as for example, in the Axa insurance group (see [report in EWC News 2/2009](#)). The EWC developed its own "Barcelona Agenda", an alternative model to the short-term profit strategies of central management and was distinguished with the German Works Council Award in 2013.

- [Video presentation of the EWC](#)
- [Power Point presentation of the EWC](#) (in German)
- [Background information on EWC's "Barcelona Agenda"](#) (in German)

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## Communication skills in packaging company



The annual training week for the DS Smith EWC members was held from 2 to 6 June 2014 at the University of Warwick in the Midlands. The goal of this training, which was carried out without interpreters, was to improve language skills, and to strengthen the EWC profile from a content viewpoint. The EWC Academy provided suggestions on the role of individual representatives and on the use of new EU standards for information and consultation. Following the acquisition of the Swedish SCA group's packaging division, the British recycling company signed a EWC agreement in March 2013, which is among the best in England (see [report in EWC News 1/2013](#)).

- [Photos of communication skills training from last year](#)

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## Experience with US management culture

The second meeting for works councils in US companies was held on 30 June and 1 July 2014 in the America House Munich. Whereas the first US meeting in 2013 was limited to a small circle of participants (see [report in EWC News 2/2013](#)), this time 31 participants from 15 companies (photo) took part. There was a focus on reports on the situation at Volkswagen in Tennessee (see [report in EWC News 1/2014](#)) and on the dissolution of the Hewlett-Packard European works council (see [report in EWC News 1/2014](#)). The third US meeting is planned for summer 2015.



## 13. Current Training Schedule

The EWC Academy and its forerunner organization, have been organizing and delivering conferences and seminars for the members of European works councils, SE works councils and special negotiating bodies since January 2009. So far, 567 employee representatives from 220 companies have taken part, including many of them for several times. This represents around 19% of all transnational works council bodies in Europe - not yet including the numerous in-house events of the EWC Academy.

- [Overview of the forthcoming events](#) (in German)

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## Seminar on EU legislation in Strasbourg

Current developments in EU-labour legislation and how they affect German labour law will be covered in a seminar to be held from 15 to 19 September 2014 in Strasbourg. Besides a planned visit to the European Parliament there will also be discussions with the German Member of Parliament, Jutta Steinruck from the Social Democrats. The seminar is available to all employee representatives and is not limited to European works council members.



- [Program and registration form](#) (in German)

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"Song and dance act" or fully-fledged European works council?



A seminar is being held in the castle hotel Bad Wilhelmshöhe in Kassel (photo) from 29 September to 2 October 2014 which examines the legal basis for information and consultation particularly in relation to restructuring. How can the European works council concretely put into practice the consultation procedure and prepare a legally water-tight opinion? The seminar is also suitable for SE works council members.

### **EWC Initiation seminar**

An introductory seminar will again take place in parallel. It is directed to newly elected EWC members and to works council members seeking information on the first establishment of a EWC. It is also suitable for SE works council members.

- [Program and registration form for both seminars](#) (in German)
  - [Report on the EWC and SE seminar in 2012](#) (in German)
- 

### **International works council conference in London**

For the fourth time already a conference is being held on 23 and 24 October 2014 in London. The meeting will be simultaneously interpreted. It is particularly aimed at all members of European works councils falling under British jurisdiction, as well as at employee representatives wishing to familiarize themselves with the British system.



- [Programm and registration form](#)
  - [Report on the London conference in 2012](#)
- 

### **Language courses: Business English for German-spoken works council members**

The following dates are planned for 2014; from 6 to 12 July 2014 a language course in the English seaside resort, Eastbourne and from 12 to 18 October 2014 a language course near Dublin.

- [Further information on our language courses](#)

### **Further seminars (in German, English interpretation on request)**

- [Economics seminar from 27 to 30 October 2014 in Würzburg](#)
- [Legal EWC seminar from 28 to 30 October 2014 in Würzburg](#)

### **Further seminar with German - English interpretation**

- [Data protection seminar from 3 to 5 November 2014 in Hamburg](#)
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### **In-house events**

Please find a summary of possible topics for in-house events here:

- [Topics for in-house training](#)
- [Topics for in-house lectures](#)

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Authors collaborating on this issue:  
Werner Altmeyer, Rita da Luz, Tea Omeragić

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