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Welcome to issue no. 3 / 2015 of EWC News.

**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.

EWC News appears four times a year.

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## **1. New industrial relations in France and Luxembourg**

### **Social dialogue to be modernized**

A whole package of legal regulations came into force in France on 19 August 2015 which substantially modifies both labour relations as well as participation rights on supervisory boards. The social dialogue and employment bill or "loi Rebsamen", named after François Rebsamen (photo) who was the socialist employment minister until recently, aims at modernizing labour relations. According to the government, French labour relations are marked by complex and rigid regulations and a "culture of mistrust".



At first negotiations were planned to allow the social partners to mutually agree on the contents of legislation. These broke down however on 25 January 2015 and the government subsequently released its own bill. The legislation is an important part of their reform program for relaunching the economy and for reducing unemployment, which, at nearly 11%, is more than twice as high as in Germany. Changes to works council consultation procedures had already come into force on 1 January 2014 for restructuring matters (see [report in EWC News 1/2014](#)).

## **Lots of supervisory boards with employee representatives in the future**

In France, companies have only been legally obliged to integrate employee representatives with full voting rights on administrative or supervisory boards since June 2013. The threshold was set however very high: codetermination applied only to companies starting from 5,000 employees in France or to those with more than 10,000 world-wide (see [report in EWC News 2/2013](#)). Prior to 2013 there had only been codetermination in public or formerly state-owned companies. The new legislation lowers the threshold down to 1,000 employees in France (or 5,000 world-wide). The number of companies covered by codetermination (so far about 200) has therefore considerably risen. The number of employee representatives will also increase although they are not allowed to exercise a works council mandate at the same time.

- [Contents of 2013 codetermination legislation](#) (in German)
- [Overview of board-level employee participation in France](#)

## **Reform of works council structures**

Up to now, in French companies, there have been three representative bodies operating in parallel: the personnel delegates, the works council and the safety and hygiene committee. In the future, in companies with under 300 employees, these three bodies are to be combined into one and also on a voluntary basis in larger companies. The works council consultation rights have also been simplified. So far there have been 17 compulsory consultations per year, based on 50 different legal regulations. These have now been merged into a dedicated chapter of the labour code and are restricted to three core topics:

- Consultation on strategic orientation of the company
- Consultation on the economic and financial situation
- Consultation on social policy, working conditions and employment

The works council is still chaired by the employer. For internal discussion similar to German works council meetings, the employee side always meets for preliminary briefings. French works council meetings have a strong legal character. The employer must be able to prove that the consultation procedure has been correctly carried out. Otherwise the implementation of any measures can be stopped through court action. In the future meetings may also be organized as video conferences and employers may record them. This also applies to central and group works councils as well as to European works councils under French jurisdiction.

From a French perspective, consultation has always included a detailed analysis of any subject matter by external experts chosen by the works council. Only subsequently does the works council render its opinion and concludes the consultation. The European Works Council Directive was also based on this philosophy (see [report in EWC News 3/2011](#)).

- [Overview of the most important changes](#) (in German)
- [Report on the adoption of the legislation](#)
- [Evaluation of the changes from trade union standpoint](#) (in French)
- [Background: Workplace employee representation in France](#)

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## **Luxembourg changes from Belgian to German model**



Legislation from 23 July 2015 reforming the social dialogue within companies marks the beginning of a new era for Luxembourg. It will come into force on 1 January 2016 and introduces German-style works councils. The Belgian-style works councils which have existed since 1974 as parity-based commissions of employer and employee representatives in companies with more than 150 employees, are to be dissolved. In

the future a works council can be established in all companies with at least 15 employees. Originally the legislation was due to enter into force in 2013 (see [report in EWC News 1/2013](#)), but was delayed due to a government crisis.

The works council ("délégation du personnel") has information and consultation rights which are closely modelled on the text of the new EWC Directive and in addition also codetermination rights on specific topics of personnel and social policy in companies with more than 150 employees.

There are representatives responsible for occupational safety and equality and the employer bears the cost of experts chosen by the works council itself. One works council member is completely exempted from work in companies with at least 250 employees and two from 501 employees onwards. A general employee assembly takes place once a year during working hours. Each works council member has a right to leave for training. An arbitration board ("commission de médiation") with a neutral chairperson is provided for the resolution of disputes.

The Christian trade union confederation LCGB criticized the legislation since it transfers tasks for which unions were previously responsible, to the works councils. The social-democratic trade union confederation, OGBL has welcomed the new legislation. The employers' confederation took a negative view. The last works council elections were held in November 2013 in the old legal context. More than 50% of all seats were allotted to non-union candidates (see [report in EWC News 4/2013](#)). The following texts are only available in French:

- [Full text of the legislation](#)
- [Opinion of the social-democratic OGBL](#)
- [Opinion of the Christian LCGB](#)

### Forthcoming event

The EWC initiation seminar is being held in Montabaur from 29 March to 1 April 2016 (half-way between Frankfurt and Cologne, with high-speed train station). It will also cover different systems of labour relations in the most important EU-member states.

TIPP !

- [The Montabaur program](#) (in German)

## 2. Bargaining systems and labour law in further countries

### Reconstructing the collective bargaining system in Greece

Under pressure from the Troika, Greece has been experiencing a decline of its collective bargaining system since 2011. Labour legislation standards such as the principle of "favorability" to the employee as well as government's right to declare agreements as generally binding have been completely abolished. Industry-wide collective agreements can hardly be found any longer.



The Syriza government, elected for the first time in January 2015, announced the reconstruction of the Greek collective bargaining system as one of its most important priorities and submitted draft legislation in April 2015. This however failed due to resistance from creditors. In the end though and largely hidden from the public eye they were able to push forward their proposals. The third memorandum with creditors from August 2015 makes provisions for analyzing the development of the collective bargaining system in collaboration with independent experts and international organizations (including the International Labour Organization, ILO) with the goal of accomplishing further reforms which adhere to "EU best practices". Explicitly excluded is a simple "return to the political objectives of the past".

- [The collective bargaining landscape in Greece after 2010](#)
- [Current assessment of Greek collective bargaining system](#) (in German)
- [Study on the future of Greek collective bargaining system](#)

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### Protests against "new social model" in Lithuania



On 10 September 2015, Lithuanian unions held demonstrations in front of the Parliament building in the capital Vilnius, in protest against labour legislation reforms planned by the social-democratic government. They are to be adopted in October 2015 and so far have not been coordinated with the social partners. A new social model is to be introduced to make the country more competitive and employment and social rights completely modernized. The notice period for dismissals is to last only three days, compensation and protection rules for pregnant women and

elderly employees substantially reduced and short-term employment contracts widely developed. In the future restrictive rules are to apply to trade union activities. Lithuania has an unemployment rate of 9.6% and was the last of the three Baltic states to join the Euro-zone on 1 January 2015 (see [report in EWC News 3/2014](#)).

- [Overview of the planned changes](#)
- [Report on protest demonstrations](#)

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### Threats to collective bargaining system in Finland

A general strike took place in Finland on 18 September 2015 in protest against cutbacks in the social system and restrictions to collective bargaining. The governing conservative coalition which has been in power since 29 May 2015 in collaboration with a right-wing populist party, wants to reduce annual vacation, limit extra-pay for overtime and Sunday work and generally get rid of the payment for two bank holidays as well as the first day of paid sick leave.



At first the government wanted to conclude a "social pact" with the social partners. This fell through on 21 August 2015 and on 9 September 2015 they unilaterally announced a set of measures to reduce labour costs. In the future collective agreements will no longer regulate minimum but rather maximum terms and conditions. The trade unions see this as an attack on the freedom of coalition. Finland has been in recession for years with rising unemployment, reaching currently 9.7%.

- [Report on unsuccessful social pact](#)
- [Report on the protests](#)

### 3. Company policy disputes make headlines

#### SAS cabin crew take Swedish trade union to court



190 cabin-crew members from the Scandinavian airline SAS filed legal proceedings on 2 June 2015 against the trade union, Unionen, before the labour courts in Stockholm. As part of a recovery plan, Unionen had agreed to a reduction in the cabin crews' pension scheme in a shop-floor agreement in November 2012. As a result the pension rights acquired in the foregoing years of salary concessions have, to a large extent, been lost. According

to the employees concerned, the trade union had acted without their explicit consent and therefore went beyond its remit. It had treated the money of the cabin-crew as if it were its own. Unionen argued that without the recovery plan SAS would have gone bankrupt with the loss of many jobs.

- [Report on the events at SAS](#)
- [Press report on legal case](#) (in Swedish)

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#### Ryanair to leave Denmark

The Industrial Court of Denmark passed a ruling on 1 July 2015 concerning recognition of collective bargaining at the Copenhagen airport in the Ryanair case. The low-cost Irish airline had opened its base on 26 March 2015 and has refused to enter into collective bargaining with Danish unions. The reasoning behind this is similar to the one already presented in other countries: all employment contracts in Ryanair come under the jurisdiction of Ireland where the company has its headquarters. In France in October 2013, this attitude had almost led to the confiscation of airplanes by the public prosecutor (see [report in EWC News 4/2013](#)).



Following the court ruling the Danish trade union confederation, LO, called for solidarity actions on 18 July 2015. As a result Ryanair would have been excluded from refueling, baggage handling and catering services. Solidarity actions were also announced against Ryanair for 23 July 2015 at the Billund airport in Jutland. Central management consequently decided on 15 July 2015 to



completely withdraw from Denmark and fly in the future from Kaunas in Lithuania. Ryanair intends to challenge the court decision before the European Court of Justice in Luxembourg.

- [Background info on legal case](#) (in German)
- [Report on court ruling](#)
- [European Trade Union Confederation - press statement](#)
- [Full text of court ruling](#) (English translation)

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### Dispute over bargaining unity in British bank



On 14 July 2015, the major London-based bank, Lloyds, signed a new company agreement on employee representation with two trade unions, Unite and Accord. Both are affiliated to the British union confederation TUC and in the future will negotiate on all collective matters for the entire British workforce. Lloyds Trade Union (LTU), the largest union in the company with its 42,000 members is not affiliated to the TUC and has been derecognized as a party to collective bargaining. It is therefore immediately excluded from participating in all representative bodies and can only represent their members on an individual basis, as would a private attorney.

Lloyds Banking Group with 85,000 employees world-wide originated in 2009 following the merger of Lloyds TSB with the Halifax Building Society and the Bank of Scotland. The rivalry between the somewhat more militant LTU and the two TUC trade unions is a direct consequence of this merger, since each union had their bastion in a different bank. There were negotiations for three years on a partnership but with no success. The situation reminds us of the German transport sector where small unions were acting against the DGB affiliated unions. In Germany "derecognition" has only been explicitly made possible since July 2015 by means of the Collective Bargaining Unity Act (see [report in EWC News 4/2014](#)).

- [Press report on derecognition](#)
- [Statement issued by Accord union](#)
- [Statement issued by Unite union](#)
- [Statement issued by LTU union](#)

### 4. Court rulings on EWC matters

#### No right to consultation for national subsidiary

On 21 May 2015 the Versailles appeal court rejected the claim of the European works council of Transdev, a French transport group, to the right for Information and Consultation on the future of the bankrupt Ferry operator SNCM from Marseille. The court, situated in a historical building (photo) near the famous palace, confirmed the first instance ruling of November 2014 (see [report in EWC News 4/2014](#)). Since both companies have their headquarters in France and SNCM only represents 2.5% of the Transdev workforce, this is not a transnational matter in the sense of the EWC Directive.



The court furthermore dealt with the question as to who may file a complaint in the name of a European works council. In this case there were 14 representatives (two thirds all EWC members). Central management argued that individual delegates may not go to court in the name of the EWC, since they had been given no authorization to do so. The EWC should have adopted a resolution during a meeting with the majority of its members. The judges however accepted the filing from 14 representatives, since the convening of an extraordinary EWC meeting would require a considerable amount of time and therefore prevent a possible infringement from being resolved in time.

- [Report on the ruling](#)
- Full text of court ruling - on request

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### Trade unions cannot take to court on behalf of EWC



On 17 July 2015 the district court in the Paris suburb of Nanterre rejected the injunction filing from two trade unions against mass redundancies planned at Total. The French oil group plans to cut 180 of the 430 jobs in the La Mède refinery near Marseille and 180 out of the 580 at the Lindsey Oil Refinery in England, on the North Sea coast. While the CGT in La Mède went on strike for altogether 48 days (photo) the majority of the staff and the three remaining trade unions did not participate. Furthermore the consultation of the EWC did not proceed as the CGT would have liked.

Consequently the CGT, together with the British trade union Unite, started legal proceedings against central management. The judges expressly confirmed the trade unions' right to claim for a correct consultation procedure before French courts. However, in this particular case, Total's EWC had been informed in detail about management plans in its last meeting on the basis of documents. So the majority of the EWC did not support the legal action taken by the two trade unions. According to the court, in such a situation trade unions may not substitute themselves for the European works council. Both of the unions must now equally bear the legal expenses of 5,000 €. Total's EWC agreement was last revised in October 2012 and is considered as one of the best in France (see [report in EWC News 4/2012](#)).

- [Report on job cuts in England](#)
- [Report on the strike in France](#) (in French)

## German EWC legislation before the Federal Labour Court



The EU Directive on European works councils has been in existence since 1994. Up to now, no legal dispute for infringement of EWC rights has ever come before Germany's highest Labour Court. On 12 October 2015, the labour court of the Federal State of Baden-Württemberg opened the way for a case before the Federal Labour Court following its rejection of a second instance injunction filing.

The legal dispute arose as a result of a plant closure of the Australian packaging group, Amcor in Neumünster (Northern Germany) at the end of 2014 and for which the European works council had not been correctly informed and consulted (see [report in EWC News 1/2015](#)). In the end, the courts were only concerned with the conformity of the transposition of the EU Directive into German EWC legislation. In April 2011, there had been a clear decision of the conservative-liberal majority of the German Bundestag, at the time, to set a maximum fine of only 15,000 € for infringement. The former social-democratic opposition were unsuccessful in pushing through an amendment for tougher sanctions (see [report in EWC News 1/2011](#)). Many lawyers consider this as a disregard for the provisions of the European legislator. The EWC Directive explicitly requires "sanctions that are effective, dissuasive and proportionate in relation to the seriousness of the offence". This issue will probably be first taken up to the European Court of Justice in Luxembourg before the Federal Labour Court makes a final ruling.

## Forthcoming event

A legal seminar covering relevant court rulings is being held from 28 to 30 October 2015 in Hamburg. Last minute registration is still possible.

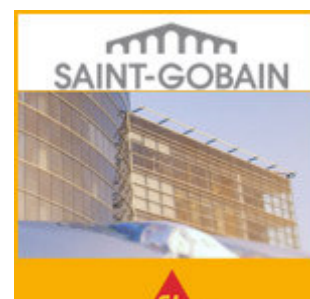
- [Legal seminar program](#) (in German)

TIPP !

## 5. Mergers setting the EWC agenda

### Demands for no-redundancy guarantee

The European works council of the Swiss building materials and adhesive manufacturer, Sika, met at their Bad Urach production site (South Germany) on 23 July 2015. The company with 17,000 employees world-wide and controlled by a family holding is to be sold to the French group, Saint Gobain. In an open letter to Saint Gobain's CEO the EWC demanded guarantees that no jobs will be lost for all sites in the first three years following the acquisition as well as no



reductions in wages or site-specific social security benefits.

The EWC fears that parts of Sika could be spun-off and sold to compensate for the high cost of the acquisition. The representatives have made it clear that "due to these issues which, for us remain unresolved, we are of the opinion that the best solution for Sika and its employees would be for it to remain an independent Swiss company". Saint Gobain is one of the ten largest French industrial groups with 180,000 employees in 66 countries and has already had a European works council in place since 1988 whose agreement was last updated in May 2009 (see [report in EWC News 2/2009](#)). Sika's EWC was established in 1996.

- [Report on the open letter](#) (in German)

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### Merger of Coca-Cola bottling companies



The merger of three major European bottling companies; Coca-Cola Enterprises, Coca-Cola Iberian Partners and Coca-Cola Erfrischungsgetränke took place on 6 August 2015 creating a new company, Coca Cola European Partners based in London. The new company has 50 bottling plants in 13 countries with 27,000 employees, of which 9,500 in Germany. The US parent company produces only concentrates. Bottling is undertaken by independent, partly public-listed firms, who only use the brand name of Coca-Cola under license. Coca-Cola Hellenic Bottling for Italy, Austria and Eastern Europe is not involved in the merger. It is the only company in Europe with a European works council under Greek law (see [report in EWC News 3/2012](#)). Out of the three companies involved in the merger, Coca-Cola Enterprises is the only one to have had a EWC established in 1998 under Belgian jurisdiction. The establishment of a new European works council is now pending for the new company under British jurisdiction and covering all 13 countries.

- [Trade union federation EFFAT - press statement](#)

### Spanish workforce once again makes headlines

Since Coca-Cola Iberian Partners had only plants in Spain and Portugal, there had been no initiative for the establishment of a European works council until recently. The conflict around the closure of four bottling plants however gained a lot of attention throughout Europe. In June 2014, the Spanish Supreme Court cancelled the dismissal of 1,190 employees, since a correct consultation procedure had not been carried out with the Spanish works councils (see [report in EWC News 2/2014](#)). On 13 July 2015 following further legal disputes, the judges finally ordered the immediate reinstatement of all dismissed employees. The Fuenlabrada plant near Madrid was reopened on 7 September 2015, not as bottling plant, but as a logistics center.

This conflict did not only make headlines within the EU and involved the European Parliament. Recently there was even a report in the New York Times which posed the question: Can a Spanish court force a multinational company to bottle Coca-Cola against its own will? Should this issue be taken to the European Court of Justice in Luxembourg, a fundamental question would be up for debate, which also concerns many European works councils: what does a correct consultation procedure consist of and what consequences if central management does not consult correctly?

- [Report in New York Times](#)
- [Chronology of legal dispute](#) (in Spanish)
- [Report on the reopening of the site near Madrid](#) (in Spanish)

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### European works councils continue to grope in the dark

Although the merger was already announced in April 2015 and in the meantime most authorizations have already been given, both European works councils have only received the same information as is also available to the press. At a meeting held in Brussels on 11 September 2015 the trade union coordination group for Nokia and Alcatel-Lucent criticized the systematic violation of their Information and Consultation rights. There is neither information on the time-schedule of the merger, nor on the procedure, nor on the expected

**NOKIA**

+ Alcatel-Lucent 

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results especially regarding jobs. The acquisition of the Franco-American IT group Alcatel-Lucent by the Finnish Nokia group is due to be finalized in 2016. The agreement of the French government is still pending.

### **No legal right on consultation**

Since both European works councils operate on the basis of a "voluntary" agreement dating back to 1996 and before, they are therefore not subject to the EU Directive and depend on the exact wording of their EWC agreements. Although the agreements were revised in the past years, in both cases no specific right to consultation has been included in the sense of the new EU standards. However both councils have already had experience with legal disputes (see [report in EWC News 2/2015](#)).

- [Declaration from trade union coordination group](#)
- [Open letter to the management of both companies](#)

## **6. (Re-)Negotiation of EWC agreements**

### **Full-fledged EWC for Dutch HR service provider**



A revised EWC agreement for the Randstad Holding was signed under Dutch jurisdiction on 10 July 2015. For the first time, the Platform for Social Dialogue established in 1996 will become a full-fledged European works council legally based on the new EU Directive. During the last update of the agreement in November 2011 the new EU standards on Information and Consultation and a right to training had already been incorporated (see [report in EWC News 1/2012](#)), but it remained as an old so-called "voluntary" agreement.

In the future the European works council will meet twice annually at the company headquarters in Diemen near Amsterdam. All representatives have an annual time-off work allowance of five days in addition to the meetings, and the three members of the steering committee seven. Mandates are allocated in exact accordance with the new EU Directive: each country in the European Economic Area is allocated at least one seat for every 10% of the European workforce (or fraction thereof). A further two seats are allocated to external union representatives and if necessary experts may also being called in. Randstad is the second largest Human Resources service provider in the world with 28,000 employees in 39 countries..

- [Report on the signing](#)

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### **Belgian chemicals group clarifies consultation procedure**

A "Charter on good collaboration practice" was signed on 11 September 2015 in Brussels between Solvay's central management and the EWC. It defines the process of the consultation procedure with the European works council and the national employee representatives for large projects and in important aspects of HR policy. The EWC agreement from June 2014 has hereby been further clarified (see [report in EWC News 4/2014](#)). Central management submits detailed plans to the EWC's select committee at an early stage and before a final decision is made. In parallel the information is passed on to the local work councils of involved countries.



The EWC and central management then determine the schedule for discussions at the national level and the further steps on the European level. Finally the national works councils adapt any measures to the legal constraints in their respective countries. This method agreement has a duration of two years (as a test) and does not apply to restructuring or mergers and acquisitions. Solvay concluded a globally applicable agreement on profit-sharing in May 2015 (see [report in EWC News 2/2015](#)).

The topic of coordination between the EWC and national works councils is a sensitive issue which has not been clearly defined by law. The European Foundation for the Improvement of Living and Working conditions in Dublin published a report on the subject in July 2015 which also analyzes relevant court rulings (see [report in EWC News 2/2015](#)).



## Forthcoming event

Solvay's EWC chairman and the author of the report from the European Foundation will give presentations at the EWC conference on 25 January 2016 in Hamburg.

TIPP !

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

## Spanish hotel chain establishes European works council



A EWC agreement for NH Hoteles was signed on 9 October 2015 in Madrid. The third largest hotels group in Europe operates over 400 properties in 29 countries around the world. Besides Spain, the Special Negotiating Body (SNB) had representatives from Germany, Austria, Belgium, the Netherlands, Italy and Romania. Further countries will soon be added when the new EWC is established with 17 representatives (including four from Spain). They represent around 10,000 employees in Europe and elect a five-member steering committee.

The EWC agreement is based on the new EU Directive and goes beyond its minimum requirements in some aspects. These include provisions for limiting precarious employment and combating youth unemployment which are explicitly mentioned in the document. Such issues are of particular concern in Spain and other crisis countries. Furthermore, Spain continues to considerably lag behind in the establishment of European works councils. A EWC has only been established in a further eleven companies and most recently in January 2015 for Gestamp, the basque automobile supplier (see [report in EWC News 1/2015](#)).

- [Report on the negotiations](#) (in Spanish)

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

## 7. New SE participation agreements

### Seed producer avoids full-parity participation on supervisory board

An SE-agreement was signed for KWS Saat, the world's fourth largest seed producer from Einbeck (Germany) on 16 March 2015. The majority family-owned business with just under 2,000 employees in Germany (5,000 world-wide) was able to avoid a parity-based supervisory board by the SE conversion. The board continues with one-third participation with the employee side obtaining two of the six seats.



For the first term of office the supervisory board mandates were assigned by the Special Negotiating Body (SNB). In the future a pan-European direct election will be organized for the entire workforce, such as the one already agreed for Warema, the Bavarian metalworking company in June 2009 (see [report in EWC News 2/2009](#)). The SE works council which is called "European Employee Committee (EEC)", is composed of eleven members, including three from Germany and eight from the remaining 16 countries. It meets twice annually and elects a three-member steering committee. The EEC may establish additional sub-committees. The agreement has an unusually long duration and runs to the end of 2027. KWS Saat did not previously have a European works council.

- [SE conversion - press release](#) (in German)

## French engineering group establishes SE works council



A SE participation agreement was signed for Akka Technologies on 30 March 2015 in Paris. Over the last years the family-owned business has substantially grown through acquisitions and has today 11,000 employees world-wide in 20 countries. This includes 5,600 in France and 3,000 in Germany, where the

majority share of MBtech Group was taken over from Daimler in 2012. Only a few days previously in March 2015, Dassault Systèmes, the French IT group, had likewise concluded a SE agreement (see [report in EWC News 2/2015](#)). In Akka Technologies the SE works council meets twice annually and is chaired by the employer (French model). A select committee of three employee representatives carries out the day-to-day business and meets at least twice annually. There are no provisions for employee participation on the board of directors.

### European call center market leader becomes SE

A SE agreement for Teleperformance was signed on 9 June 2015 in Paris. This French company has 182,000 employees in 62 countries (including 33,000 in the European Economic Area) and is in contact with 20% of the world's population. It is the largest ever SE conversion to take place in France and one of the largest in the EU.



Negotiations for the establishment of a European works council had begun on 12 June 2014 in a meeting held in Brussels. Since central management had announced plans for its conversion into a European Company (SE), the EWC negotiations were broken off on 18 October 2014. In such cases the Special Negotiating Body (SNB) composed of 33 representatives from 19 countries has to be completely reelected. After several rounds of negotiations they reached an agreement on the establishment of a SE works council but could not obtain any participation on the board of directors.

- [Press release on SE conversion](#)
- [Report on the negotiations](#)

This is the fourth SE conversion in the current year in France, where the popularity of this legal form is steadily growing. In the meantime, France holds second place in the number of SE agreements in the EU. Germany continues however to represent half of all SE conversions in the whole of Europe (see [report in EWC News 4/2011](#)).

We have put together further information on the SE legal form on a [special webpage](#) (in German).

## 8. First ever SCE conversion in Europe

### German meat processor becomes European Cooperative Society (SCE)



A SCE participation agreement was signed on 21 April 2015 for Westfleisch at their headquarters in Münster (Germany). It is a premiere for the whole of Europe. The Westfalian slaughter-house group has been operating as a European Cooperative Society (Societas Cooperativa Europaea) since 31 August 2015. This legal company statute has already been available since 2006, but up to now, not a single company had made use of it. Similarly to the European Company (SE), the conversion of a national cooperative into a SCE is only possible if central management establishes a Special

Negotiating Body (SNB) with a goal of reaching an agreement on employee participation. If these negotiations fail, legal subsidiary requirements apply, as for the SE.

The Westfleisch SNB was composed of ten representatives from Germany and the seats belonging to the other five countries remained vacant due to lack of candidates. Only countries with at least 250 employees will have representatives on the future SCE works council. Therefore all nine seats were allotted to Germany with one additional external union representative. They meet once annually and day-to-day business is carried out by a 3-member steering committee. Information and consultation rights are identical to the provisions for a SE works council. The SCE works council has a right to experts, interpreters and to training courses. Romania is the only other country with employee representatives which is not the case for the Westfleisch subsidiaries in Lithuania, Poland, Hungary and Sweden.

### Never full-parity participation on Supervisory board

Henceforth Westfleisch's supervisory board will have 13 members including five staff representatives (currently four out of 14). The cooperative has 4,200 farmers as members.

Employee representatives are elected by the SCE works council from a list of candidates proposed by the steering committee and taking into account the size of individual subsidiaries. The SCE works council can adopt or reject this list of candidates (block vote), but cannot make any changes to it. In Germany Westfleisch has 1,930 employees, and would have had to establish full-parity participation if exceeding the threshold of 2,000. Through the conversion to a SCE central management was able to avoid this - which is also the underlying motivation for a great deal of SE conversions. Similarly to the consumer research group GfK in 2009, the works councils were able to obtain more than one-third participation through negotiation (see [report in EWC News 1/2010](#)).

- [Company press statement](#) (in German)
- [Report on Westfleisch SCE conversion](#) (in German)
- [Directive on employee participation in the SCE](#)
- [Further information on employee participation in the SCE](#)

## 9. The view beyond Europe

### Global network at Finnish packaging manufacturer

On 1 June 2015, unions from eight countries where Huhtamäki has production sites established a world-wide network, a sort of forerunner to a World works council. Central management also participated in the meeting and gave a presentation. There was a clash when it came to address the situation in the USA. Local management of a factory in California had commissioned so-called "anti-union consultants" to prevent the establishment of employee representation. Central management however did not wish to discuss the topic in Helsinki and left the meeting. European companies often do not comply to the social standards prevalent in Europe in their sites in the USA (see [report in EWC News 3/2010](#)).



- [Report on the meeting](#)

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### Global social standards in ABN AMRO bank



On 1 September 2015 an international framework agreement was concluded at the bank's headquarters in Amsterdam. It strengthens the social dialogue with trade unions world-wide and promotes a new model of "sustainable banking". Compliance to the agreement is overseen once annually by a monitoring committee made up of union and management representatives. It is the first agreement of its kind in the Dutch financial industry. As a result of the financial crisis ABN AMRO bank has been in ownership of the Dutch State since 2010.

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

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### African mining company sentenced in Paris

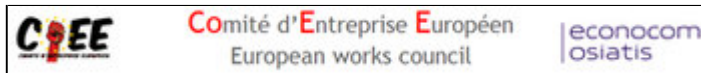
On 10 September 2015 an appeal court in Paris sentenced the manganese producer, Comilog, subsidiary of the French mining company Eramet, to pay compensation to 600 former employees from the Congo. They were dismissed in 1992 without notice or compensation following a blockage caused by an accident on a railway line and the subsequent halt in production. The ruling is unique and a legal sensation after many years of legal battling. Never before has a company been held financially liable by a court in France for its staff policy in Africa.



- [Report on court ruling](#)

## 10. Interesting websites

### European works council with own Internet site



The European works council of the IT group Econocom, based in Brussels, was established in 2007.

Over the last years it has developed

its own Internet site in five languages. It includes the minutes of meetings, reports on its activities and seminar materials. After the conversion of Econocom into a European Company (SE) the European works council will be converted into an SE works council. This was on the agenda of an extraordinary meeting of the select committee held on 21 July 2015, where central management presented the plan for SE conversion for the first time. In 2009 the EWC had concluded a transnational agreement on social consequences of a relocation of business activities to Morocco.

- [Econocom's EWC website](#)
- [Report on the last meeting of the select committee](#)

Other European works council websites:

- [Air France KLM](#)
- [Deutsche Bahn](#)
- [UniCredit](#)
- [Axa](#)
- [Generali](#)
- [Unilever](#)

### Europe in figures

The Federal Statistics Bureau in Wiesbaden regularly publishes current statistics on the European Union and Germany in a country comparison on its Internet site. It shows Germany had the lowest unemployment rate of all EU member states in August 2015 and Greece and Spain the highest. The website is also directly linked to the country profiles of the European Union's statistics bureau (Eurostat) in Luxembourg. This enables statistical comparisons to be made between any two EU member states.



- [The European statistics](#)
- [Current unemployment figures](#)
- [Eurostat country profiles](#)



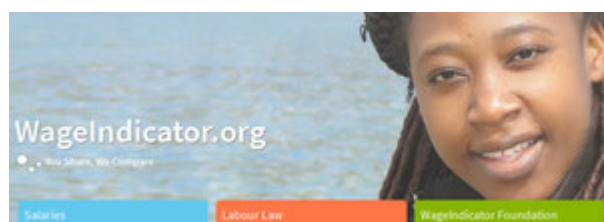
### Stop letter-box companies

The European Federation of Building and Wood workers in Brussels has demanded the European Commission to close loopholes in legislation so as to prevent in the future the establishment of fake companies in other EU countries with the goal of avoiding social security contributions. To this end it has started a campaign and a dedicated website. The question is not only relevant for social security contributions, but also concerns codetermination on supervisory boards (see [report in EWC News 1/2015](#)).

- [The campaign website](#)
- [Case study: Tax evasion at McDonald's](#)

### Labour law in 76 countries

The WageIndicator Foundation has been maintaining a website on wage comparisons for 15 years. This union-friendly institution of the University of Amsterdam analyzes developments in wages and bargaining policies in many countries in collaboration with the Hans Böckler Foundation in Germany. The "Collective Bargaining News" to be found on



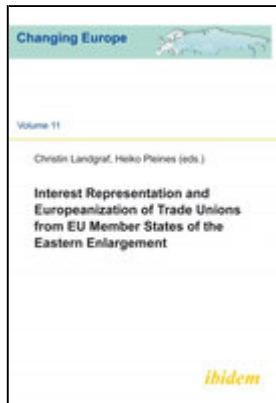


the website covers the bargaining policies of many EU member states. There is furthermore a collection of the most important characteristics of labour legislation in 76 countries throughout the world.

- [Overview of labour legislation around the globe](#)
- [Collective Bargaining News](#)

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

## 11. New publications



### Eastern European trade unions on course for EU?

This research report was published in May 2015 and examines the integration of trade unions from the six largest Eastern European acceding countries (Bulgaria, Poland, Romania, Slovakia, Czechia and Hungary) into the EU policy system of Brussels. It is their participation in the social dialogue bodies which is of primary importance according to the report (see [report in EWC News 1/2014](#)). The authors also highlight the role of Eastern European trade unions in European works councils. Trade unions from the new member states generally perceive the EU in a definitely positive manner and its influence on national policies mostly as useful. The study was sponsored by the Hans Böckler Foundation in Germany.

- [Further information on the research project](#) (in German)
- [Table of contents of the book](#)
- [On-line order](#)

## Skills development on the EU agenda

The July 2015 edition of the Social Agenda magazine from the European Commission deals with vocational training and employee skills development. The magazine for example presents projects from Portugal and Czechia which are sponsored by the European social fund. The European Commission is currently working on a new strategy to optimize existing instruments and subsidies. An important cornerstone hereby is in particular the modernization of vocational training as well as a comprehensive development of skills and qualifications. It can already be observed today that youth unemployment is lower in those EU member states with an efficient system of vocational training.



- [Download of magazine](#)

## Organizing global value chains



In August 2015 the Friedrich Ebert Foundation published this analysis on the challenges of global production and supply chains on trade unions policies. It includes a definition of global value-added chains and provides examples of the increasing power of multinational companies in new sectors of the economy, including the US e-commerce company Amazon (see [report in EWC News 3/2014](#)). Union demands can only be enforced here by taking into account the entire value-adding chain beyond national borders. The study also provides some positive examples of international solidarity like the US campaigns at the Ikea group, the Swedish furniture manufacturer (see [report in EWC News 2/2011](#)) or at Deutsche Telekom (see [report in EWC News 2/2011](#)).

- [Download of study](#)

## EWC case studies for automobile suppliers

The results of a research project from the Ruhr University in Bochum (Germany) which deals with European works councils in the car suppliers' industry were published in August 2015 (in German only). Five companies were analyzed including Bosch (see [report in EWC News 2/2010](#)) and Continental (see [report in EWC News 1/2012](#)). Central question hereby was how and whether the European works councils was able to affect company strategies concerning distribution of production volumes and hereby defend interests of employees. The same research institute had already compiled a report on car manufacturers in 2010 (see [report in EWC News 1/2010](#)).



- [Table of contents and sample preview](#)
- [On-line order](#)

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

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



### Textile chain prepares SE conversion

The EWC Academy organized a seminar for the German works council members of the fashion company, Tom Tailor Holding, on 28 July 2015 at their headquarters in Hamburg. Guidelines for the planned SE conversion were discussed as well as the establishment of the Special Negotiating Body (SNB).

Tom Tailor with over 7,100 employees is present in 14 EU countries, besides Germany mostly in Austria and the Netherlands. Since there are around 5,000 employees in Germany and therefore more than the legal threshold of 25% of the European workforce, negotiations are underway on the establishment of a parity-based supervisory board. The establishment of a SE works council will also be part of the negotiations. Up to now, Tom Tailor has not had a European works council.

- [Further information on the SE legal form](#) (in German)

## Visit to European Court of Justice in Luxembourg

From 28 September to 2 October 2015 the EWC Academy held a seminar in Luxembourg on EU labour law and its effects on German labour legislation. During a visit to the European Court of Justice (photo shows some of the participants) the role and tasks of the institution were explained. A further item on the agenda of the seminar week was a visit to the manufacturing plant of Japan Tobacco in Trier, where the co-chairman of the European works council reported on its activities.



## Communication training for French parcel service



The European works council of GeoPost met on 15 and 16 October 2015 in Prague. The agenda included a communications training for the delegates from nine countries organized by the EWC Academy. GeoPost is the second largest parcel delivery provider in Europe and operates the parcel division of French state-owned La Poste as DPDgroup. The EWC was established in May 2008 (see [report in EWC News 3/2008](#)) and in 2013, signed a European Social

Charter with central management (see [report in EWC News 3/2013](#)).

- [EWC website](#)

### 13. Current seminar schedule

The EWC Academy and its forerunner organization, have been organizing and delivering conferences and seminars for members of European works councils, SE works councils and Special Negotiating Bodies since January 2009. So far, 625 employee representatives from 236 companies have taken part, including many of them for several times. This represents around 19% of all transnational works councils in Europe. In addition there are numerous in-house events and guest lectures organized elsewhere.

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

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#### Legal EWC workshop (**only few places left**)

From 28 to 30 October 2015 a seminar on EWC legislation is being held in the Harbour hotel Hamburg. On the agenda are the legal subtleties of a EWC agreement, past EWC case law and the application of the new EU standards in legal cases of doubt.

- [Seminar program](#) (in German)



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#### Data protection in the international company (**only few places left**)

The global inter-connection of IT systems is becoming increasingly widespread. Employee data is processed on an international and corporate level. What possibilities do works councils have for controlling or limiting the transmission of data within the company? This is the subject matter of a seminar organized from 28 to 30 October 2015 in Hamburg.

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

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#### 8<sup>th</sup> Hamburg Conference for European and SE works councils



As every year in January a two-day conference is being organized in Hamburg. The topics:

Monday, 25 January 2016: Current trends in the EWC landscape, legal problems and examples of EWC activities

Tuesday, 26 January 2015: Short seminar on EU labour legislation or alternatively: Short seminar on EWC consultation procedure

- [Program and registration form](#) (in German)
- [Report on 2012 Hamburg conference](#)

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#### EWC seminar in Montabaur Castle (also suitable for SE works councils)

Our annual EWC seminar in Montabaur (half-way between Frankfurt and Cologne, nearby high-speed train station) is being held from 29 March to 1 April 2016. The following topics are proposed in parallel:

- **EWC starter days (for beginners)**



Basic knowledge on the European works council and labour relations in other countries. Particularly suitable for newly elected EWC members or for those in companies with no EWC yet established.

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

The characteristics of a correct consultation procedure during restructuring. Particularly suitable for EWC members wishing to work more proactively.

- [Program and registration form](#)
- [Report on this seminar in 2012](#)

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### Language courses: Business English for works council members

- 9 to 11 May 2016 in Hamburg
- 26 June to 2 July 2016 in Esher (near London)
- 20 to 25 November 2016 in Dublin
- [Further information on our language courses](#)

Detailed program on request.

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### In-house events

Please find an overview of possible topics for in-house events below:

- [Topics for in-house seminars](#)
- [Topics for specialized lectures](#)

## 14. Imprint

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