

Welcome to issue no. 4 / 2013 of EWC News.

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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. You can download this newsletter as a <u>pdf file</u> and print it out.

You can find past issues in the newsletter archives.



**Dieser Newsletter auf Deutsch** 



Cette newsletter en français

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# 1. German government to strengthen European works councils

# Coalition agreement includes clause on EWC and SE



On 27 November 2013 in Berlin, the grand coalition between Christian and Social Democrats signed the government's program for the next four years. The new government has been in office since 17 December 2013. The revision of the EU Directive on European works councils (see report in EWC News 4/2008) fell during the last grand coalition's period of office (2005 to 2009). The German Department of Employment actively supported the revision at that time. The following texts are only available in German:

- Full text of coalition agreement
- Assessment by the Confederation of German Trade Unions (DGB)

In chapter 6 the coalition agreement describes the European political responsibility of Germany. The following passage can be found under the section "strengthening the social dimension":

It must be ensured that the basic social rights stemming from the European Union's Charter of fundamental rights are guaranteed to be considered on an equal ranking with the market freedom within the European single market. The social dialog of bargaining partners plays an important role at the European level which should be further strengthened as well as the European works councils and participation in European companies.

The text is however a simple declaration of intent and does not contain anything concrete. In the past, today's coalition partners have had completely opposite opinions concerning both participation in European companies, i.e. with the transposition of the SE Directive, as well as with the revision of German legislation on European works councils.

#### **Conflict in the transposition of the SE-Directive**

The transposition of the SE Directive into German legislation was delayed and could only be completed in autumn 2004. Due to an objection from the German Bundesrat, the upper chamber, the legislative process dragged on longer than expected.

- According to the upper chamber, dominated at that time by conservative-liberals, German
  companies would be disadvantaged by extensive regulations on employee participation and
  scarcely considered as partners at the European level. From today's perspective this was
  completely wrong since half of all SE conversions in Europe are carried out by German
  companies.
- The former Red-Green Federal Government was of the opinion that through legislation, German participation standards were successfully defended against resistance from the former opposition. This was also a misjudgement since the outstandingly high acceptance of the SE within German companies is in particular due to the possibility of restricting or freezing participation in the boardroom.



The coming months will show whether the government will put a stop or not to the exodus from participation through SE conversion. The simplest solution would be to make SE agreements more dynamic: if a company expands beyond a certain threshold value, a legal right to renegotiate participation on the supervisory board could be given to the employees. The number of the SE conversions in Germany would however decline and fall to the very low level which is common throughout Europe.

• Further information on SE participation (in German)

## **Conflict in the transposition of the EWC Directive**

The SPD demand for harder sanctions for gross violation of EWC rights and in particular the provision for injunction, was declined by the conservative-liberal majority in parliament in April 2011 (see <u>report in EWC News 1/2011</u>). In the meantime, even jurists from the European Court of Justice in Luxembourg have doubts on a EU-compliant transposition by the German legislator when only a few weeks later the first legal proceedings on the subject came before the industrial tribunal in Cologne (see <u>report in EWC News 3/2011</u>). For a multinational company a fine of not more than 15,000€ is not a sanction "that is effective, dissuasive and proportionate in



relation to the seriousness of the offence" as required by the Directive. What is at stake here, is whether a EU Directive can be allowed to fall on stony ground in Germany while exactly the same Directive is sustainably secured in France and Belgium.

Overview of new regulations in the revised EWC Directive

## Grand coalition also in Austria

On 12 December 2013, in Vienna, the Social and Christian democrats agreed to continue the grand coalition which has existed since January 2007. Chapter 5 of the coalition agreement defines its European political goals. The paragraph entitled "securing wage and social standards" talks of:

Safeguarding employee participation rights as part of a stronger integration of the internal market, particularly by the establishment of new legal

forms for European companies.

- Full text of the coalition agreement
- Assessment by the Confederation of Austrian trade unions (ÖGB)

There is no explicit reference to the strengthening of European works councils. However the Alpine Republic has already today the best transposition of the EWC Directive of all EU countries (see <u>report in EWC News 1/2011</u>). In Article 15, the Directive foresees a date which falls in the period of office of both newly agreed grand coalitions:

No later than 5 June 2016, the Commission shall report to the European Parliament, the Council and the European Economic and Social Committee on the implementation of this Directive, making appropriate proposals where necessary.

A similar wording in the old Directive was the starting point of the 2009 revision.

# **New legal commentary**

The 4th edition of this reference book on the German Works Constitution Act has been released for the turn of the year 2013/14. An over 170-page appendix provides the detailed legislative and commented texts on the EWC and employee participation in the SE. The latest court decisions are also included e.g. the EWC of Visteon before the labour court in Cologne or the Donata Holding SE in Ludwigshafen (see <u>report in EWC News 4/2012</u>).

- · Further information on the book
- Table of contents and sample excerpts
- · On-line order

# 2. Current trends in the United Kingdom

# Less rights for employees in transfer of undertakings



Following a public consultation, the government in London announced on 5 September 2013, that it would restrict provisions for employee social rights during change of company ownership. The "Transfer of Undertakings and Protection of Employment (TUPE) regulations" from 2006 which transposed a EU Directive from 2001, are to be revised as of 1 January 2014. The amendment explicitly aims at reducing the burden on employers and to facilitate the relocation of employees to other sites.

In the opinion of the present conservative-liberal government, the former Labour government had transposed the EU Directive in a far more employee-friendly manner than required by the EU. This "gold plating" on employee acquired rights is now to be taken off. According to the British trade union confederation TUC, the outsourcing of services such as cleaning, social care and canteens will become substantially easier in the future whereby primarily women and low wage-earners would have to fear the consequences. The change in legislation is part of a comprehensive package of labour legislation reforms from the British government. The consultation period for mass redundancies had already been reduced in April 2013 (see report in EWC News 2/2013).

- Full text of 2001 EU Directive
- Full text of revised legislation
- Statement from TUC

## Manchester capitalism in Scotland

The latest events concerning the Grangemouth refinery near Edinburgh, the largest plant of the Ineos group, are a prime example of management practice as it prevailed throughout continental Europe in the 19th century. Ineos, based in Switzerland, belongs to a British multi-billionaire who has been





acquiring petrochemical companies from BP and other groups since 1998. The Grangemouth plant delivers 70% of the petrol to Scottish filling stations and makes up for 8% of the entire processing industry in Scotland. The workforce is strongly unionised.

The conflict began in summer 2013 when a full-time trade union representative (in Germany one would say "works council chairman") was accused by the employer of using part of his time for political work in the Labour party. As a result, his professional e-mails were examined by a company lawyer and he was suspended from office. In protest against this violation of the recognition agreement (which is the shop-floor framework agreement governing company employee representation), the trade union, Unite, organised a strike ballot. Since collective bargaining agreements are not legally binding in the United Kingdom, compliance can only be enforced by industrial action.

The real reason behind the escalation however, was a conflict on the company's pension scheme which the employer wanted to terminate. Negotiations in collaboration with ACAS, the national arbitration board, were unsuccessful. The employer therefore proceeded with a lockout of the entire workforce on 16 October 2013 and threatened with a complete and permanent closure of the plant. He could only be persuaded otherwise after a modified collective agreement was accepted. Since the unhindered delivery of North Sea oil to Scotland was at stake, the Scottish government now also became involved in the conflict. The blackmail has paid off for the multi-billionaire: wages have been frozen for three years, the previous company pension scheme has been cancelled, a no-strike clause is in force for three years and there are no longer any full-time trade union representatives. The Scottish government will furthermore provide funds which will make the already very profitable plant even more profitable.

- Report on the beginning of the lockout
- Report on the end of the conflict
- Critical analysis on all of the events

#### Campaign for participation in British boardrooms



On 22 October 2013 the British trade union confederation TUC started its Corporate Governance campaign. The participation of employees in boards of directors should not only ensure a limitation of executive compensation but also improve the long-term success of British companies. The TUC makes reference to countries like Germany and Sweden, who have come out of the financial market crisis better off than the United Kingdom thanks to participation. In addition, participation rights were reinforced in supervisory or administrative boards in France in June 2013 (see report in EWC News 2/2013). The TUC presents two

studies to back up the campaign: "Workers on Board" makes suggestions how British employees could be integrated into Corporate Governance bodies. A second study examines the European perspective.

- TUC campaign press release
- The study from a British perspective
- The study from a European perspective

#### Third EWC conference in London

The annual EWC Academy conference took place already for the third time running in London on 24 and 25 October 2013. Besides current developments in labour legislation some outstanding activities were presented by European works councils under British jurisdiction: DS Smith, the packaging company (see report in EWC News 1/2013) and the easyJet airline (see report in EWC News 3/2012). The EWC conference participants came from Germany, the United Kingdom and four other countries.



3. Ryanair feels the headwind of labour legislation



On 2 October 2013, a court in Aix-en Provence sentenced the Irish low-cost airline to 9 M € compensation and a fine of 200,000 € for social dumping. For many years Ryanair had been employing 127 staff in the Marseille airport without making social insurance contributions in France. On these grounds the authorities started legal proceedings in October 2009 to fight illegal employment. In court the public prosecutor even demanded the confiscation of four aeroplanes.

Ryanair also refused to establish company level employee representation according to French legislation and argued that all employees fell under Irish jurisdiction no matter where they worked. A French trade union filed a successful lawsuit against this and was able to convince the court on the applicability of French labour legislation. Ryanair has appealed against the verdict and will take the matter up to the European court of justice in Luxembourg if necessary.

• Report on the verdict

#### Belgium labour court has differing legal interpretation

On 4 November 2013 the industrial tribunal in Charleroi declined jurisdiction for legal proceedings filed by six former Ryanair employees. They were demanding compensation since Irish working conditions are below the legal minimum standards in Belgium. According to the court, although the plaintiffs were based at the Charleroi airport, their employment contracts did not come under Belgian jurisdiction. In the meantime there has also been an appeal against this ruling by a Belgian trade union.

- · Report on the verdict
- Full text of the verdict (in French)

#### A Norwegian court accepts jurisdiction

There has been a similar case previously in Norway. For the first time a former female employee plucked up the courage to take Ryanair to court. A court of appeal ruled on the unfair dismissal case on 21 August 2013. Since she was based in Norway, Norwegian and not Irish courts have jurisdiction. The airline has already appealed against the ruling in the highest Norwegian court of justice.

- Report on the verdict
- Trade union website on Ryanair

#### Ireland wishes to reform collective bargaining legislation

Ryanair's unconventional HR policies also have repercussions back in the airline's home country. There has been a pro-European grand coalition in power since 2011, which, in contrast with the United Kingdom, is striving to strengthen collective bargaining systems through legislative means. On 17 December 2013, the government passed a draft bill which, in the future, will force even companies like Ryanair into real collective bargaining. In February 2007 the airline had still been able to avoid this through legal tricks before the Supreme Court in Dublin



(see <u>report in EWC News 3/2007</u>). Since this ruling, the Irish trade union confederation ICTU has been demanding a change in the legal framework for collective bargaining.

Apart from the "Ryanair case", an additional argument for the legislative initiative is the European Court of Justice ruling on human rights from April 2009 (see <a href="report in EWC News 2/2009">report in EWC News 2/2009</a>). The right to collective bargaining and the freedom to strike were defined in this ruling against Turkey, as an integral part of the European Convention on Human Rights. In connection with this, there are currently also legal proceedings in Strasbourg against the Thatcher legislation (see <a href="report in EWC News 4/2012">report in EWC News 4/2012</a>), which could possibly oblige the neighbouring country, Great Britain to make reforms.

- Report on the legislative initiative
- Opinion of Irish trade union confederation ICTU
- 4. News from other countries

#### Letter-box companies ensure evasion from taxes and from employee participation



The Netherlands is a preferred location for foreign Holdings. Apart from tax evasion the avoidance of employee participation also plays a role here. By means of a small office or a "letter-box" at the Amsterdam airport and as long as there are only a few employees in the Netherlands, any form of employee representation on the supervisory board can elegantly be avoided. Groups such as Ikea or EADS already use these methods.

There are approximately an additional 23,500 letter-box companies which are registered to save on taxes. Little or no taxes are levied on the licence fees which are necessary for a Holding to conduct any business under the brand name. It is perfectly legal for companies such as Google, Apple, Volkswagen or Deutsche Bahn to shift their profits there. Foreign companies can make special arrangements with the Dutch tax authorities which remain confidential.

- Background report from a German perspective (in German)
- Background report from a British perspective

#### Portuguese taxes trickle into the Dutch polders

The Amsterdam research institute, SOMO, published a review of Portuguese companies on 9 September 2013: 19 out of the 20 largest companies have shifted their tax-related activities to the Netherlands over the last few years. The OECD considers the Netherlands to be the biggest whitewasher of Portuguese company taxes. The money is missing in the national budget which is currently being restructured with painful cutbacks in pensions, public employment and in the health service. While companies are transferring their money to the Netherlands, the Portuguese population is being asked to foot the bill. SOMO had already released a comprehensive evaluation on the same topic in June 2013 concerning eight corporations doing business worldwide.

- Report on the Portuguese companies
- Full text of study on Portugal
- Report on the worldwide evaluation
- Full text of the evaluation of eight multinationals

#### Forthcoming event

A EWC seminar is being organized in Doorn (near Utrecht) from 23 to 25 June 2014. This will include guidelines for the work of EWCs having Holdings in the Netherlands. The program is currently under preparation.



#### Works council elections in Luxembourg

On 13 November 2013, 430,000 employees were called to elect their representatives on the works councils for the next five years. This was the last election under the old legislation since a reform of workplace representation is imminent. In the future works councils in Luxembourg are to have similar rights to German works councils (see report in EWC News 1/2013).



The lists of non-union independent candidates were able to increase their score by more than three percentage points and for the first time obtained more than 50% of the votes. The social-democrat oriented trade union umbrella organization, OGBL, obtained 29% and the Christian trade union Federation LCGB, 14% of the votes, both suffering slight losses. Banking and insurance represent a particularly important sector in Luxembourg with 12% of all jobs losses over the last five years. Aleba, the trade union of bank employees, clearly takes the lead here with more than 65% of the votes. OGBL remains the leading force in the steel and trade industries and in the health service.

The plans for reforming the Luxembourg workplace representation



The two million inhabitants of Latvia will receive the euro as a means of payment on 1 January 2014. Their currency has already been tightly coupled to the exchange rate of the euro since 2005. This small Baltic country has the highest economic growth of more than 5% in the EU and satisfies the Maastricht criteria outstandingly. Latvia was however considerably affected by the financial market crisis with the economy sinking by 18% in 2009. Critics fear Latvia could become a second South Cyprus. The neighbouring country, Lithuania is also preparing to join the euro which could already happen in 2015.

Estonia was the latest country to have introduced the euro in 2011.

- EU documents for the introduction of the euro in Latvia
- Latvian government website for the euro introduction
- 5. New European works councils

# Former Siemens subsidiary establishes EWC

On 17 September 2013 a EWC agreement was signed during a meeting in Vienna for Unify. The company was spun-off from the Siemens group in 2006 as Siemens Enterprise Communications (SEN) and was taken over by a U.S. financial investor with a majority stake in 2008. The negotiations for the establishment of a European works council started in autumn 2010 and were concluded successfully shortly before the end of the three-year deadline. The EWC comes under German jurisdiction and



integrates the standards of information and consultation from the new EU Directive. Its 19 members, including three from Germany, come from 17 EU countries and meet twice annually. The steering committee consists of four members: two from Germany and one each from Austria and Belgium.

Background report on the company (in German)

#### Jet petrol stations now with own EWC



A new EWC had to be established following the spin-off of the downstream business (primarily petrol stations) from the third largest U.S. oil company ConocoPhillips in May 2012 and the listing of the new company, Phillips 66 (named after the famous route 66 in the USA) on the stock market. The agreement was signed on 29 September 2013 on the basis of the new EU Directive. It operates under British jurisdiction.

The EWC is composed of representatives from five countries: the UK has three seats and Ireland, Germany, Austria and Belgium one each. The steering committee is made up of three delegates from three different countries. The EWC may invite up to three paid experts to every meeting. All other provisions are largely fashioned around the EWC agreement of the former parent company, ConocoPhillips, which has had an old voluntary agreement under Norwegian jurisdiction since 1996.

# Ninth EWC established in Spain

A EWC agreement was signed in Madrid on 15 November 2013 for Prosegur, the security service provider. The special negotiating body barely needed one year to complete the draft text which is based on the new EU Directive. Both information and consultation rights as well as training rights are state-of-the-art. The EWC is composed of ten members: six from Spain, two from Portugal and one each from France and Germany.



Spain still lags considerably behind in the establishment of European works councils. Up to now there are only EWCs in a further eight companies, the most recently was established in the infrastructure company Abertis in July 2012 (see <u>report in EWC News 3/2012</u>).

• Report on the signing of the EWC agreement

# 6. Updated EWC agreements

## New distribution of seats after spin-off



A revised EWC agreement for the French energy group, GdF Suez, came into force on 23 July 2013. A few days previously, following the spin-off of the water and waste-management divisions to the company Suez Environnement, its own European works council had been newly established (see <a href="report in EWC News 3/2013">report in EWC News 3/2013</a>). As a consequence the workforce of GdF Suez was reduced by approximately one third making a realignment of the existing EWC necessary.

It is now composed of 45 representatives (previously 65) who meet twice yearly. The twelve member steering committee (previously 14), including five French representatives from five different trade unions, meets every two months. There is also a reduction in the EWC budget (from  $80,000 \in 62,000 \in per annum$ ) and in the number of visits possible to sites in other countries (from 35 to 25 per annum). The GdF Suez EWC agreement signed in May 2009 is regarded as one of the best in France (see report in EWC News 2/2009).

- Report on new representatives from the United Kingdom
- Report on EWC site visit in Italy

#### French electrical company adapts to new EWC Directive

An updated EWC agreement for Legrand was signed under French jurisdiction at their headquarters in Limoges on 20 September 2013. The manufacturer of household electric components established a EWC in 2000. It is composed of representatives from 18 countries who travel to France for one annual meeting chaired by the employer. The select committee has been expanded from three to four members and meets four times a year including twice with central management.



The EWC is competent for transnational matters whenever at least 20 employees are concerned in at least two countries. Select committee members have the right to visit plants in other countries twice annually in the context of consultation procedures. An annual budget of 60,000 € is available for advisory services. A particularly weak point in the agreement is the provision of deadlines for information and consultation which are not forseen in the EU Directive. The EWC must render its opinion within 90 days. Central managment must respond to this within 15 days after which it may implement its plans unhindered.

#### Spanish mobile telephone operator remains without Spanish representatives



A new EWC agreement was signed at the German headquarters of Telefónica in Munich on 29 November 2013 (photo). It remains under British jurisdiction and covers subsidiaries in five countries (United Kingdom, Ireland, Germany, Czechia and Slovakia). The Spanish parent company is not involved since the EWC was established already in 2004 before the acquisition by Telefónica.

The revision of the agreement was carried out over the last months with the technical support of the EWC Academy (see <u>report in EWC News 1/2013</u>). For British standards it includes very extensive provisions. A meeting took place in Hamburg on 21 and 22 November 2013 before the signing to discuss the implementation of the new standards of information and consultation.

We have compiled a selection of EWC agreement texts on a website for download.

# 7. New SE participation agreements

#### SE conversion immediately following EWC constitution

Norma Group from Maintal (near Frankfurt, Germany) has been operating as a European Company (SE) since 5 July 2013. The automobile supplier manufactures connection technology and has around 2,500 employees in Europe of which 1,000 in Germany. After the European works council started operations on 17 January 2013, it is now to be dissolved in favour of a SE works council. Up to present the German Holding had no employee representation on the supervisory board, the SE will also remain participation-free.



On 18 June 2013, the special negotiating body signed a SE agreement which is largely based on the minimum standards of the German SE participation legislation. Nine EU countries are represented in the future SE works council, with an additional two representatives (from Switzerland and Serbia) without voting rights. Both the SE works council as well as the five-member steering committee meet twice annually. Central management commits not to implement any restructuring measures until the consultation procedure with the SE works council has been completely terminated. However there are provisions for deadlines which are not foreseen by SE legislation. The constitutional meeting is to take place on 15 January 2014.

- Press release on SE conversion
- Full text of SE conversion report

#### New SE works council complements existing EWC



Since beginning 2013, RWE, the Essen energy group, has been providing cross-border conventional electrical power generation through its new subsidiary RWE Generation SE. This includes around 50 power stations in Germany, the Netherlands and in the United Kingdom. Employee participation for the new company was defined by a special negotiating body who signed a SE participation agreement in Essen on 10 September 2013. The new SE works council is hereby composed of eight members from these three countries and meets twice yearly. The other

provisions are based on the subsidiary requirements of German SE legislation. Just as on the Holding's supervisory board, a parity-based participation is provided on the SE supervisory board. With its 20 members (thereof ten employee representatives) it is the largest ever founded supervisory board of an SE.

• Full list of the SE supervisory board members (in German)

Since the SE establishment is limited to one subsidiary and three countries, the RWE European works council continues to remain in office. It includes numerous representatives from Eastern Europe. It was established at the topmost Holding level in 2007 following the previous representation structure consisting of European divisional works councils (see <a href="report in EWC News">report in EWC News</a> 1/2008). RWE is therefore taking similar steps to BP, the British mineral oil group, who spun-off all filling stations and refining activities into a new SE under German jurisdiction in April 2010. However BP proceeded without the establishment of an independent SE works council and created a SE committee within the existing EWC (see <a href="report in EWC News">report in EWC News</a> 1/2010).

#### SE works council with worldwide competence

A SE agreement was signed for Inros-Lackner in Rostock on 24 October 2013. The architecture and property development company was founded in 2004 following the merger of several corporate groups from East and West Germany and is now expanding worldwide. The SE agreement which is valid for the European single market and Switzerland,



nevertheless includes special provisions, with regard to branch offices in other parts of the world.

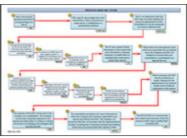
In exceptional circumstances which would normally result in a consultation procedure within the EU, the SE works council has a right to information. At present, apart from Russia this concerns a further five offices in Africa and two in Asia. Since there is no employee participation on the board of directors, central management is prepared to hold a meeting every two months with the SE works council before or after every board meeting. This resembles the provisions which were made, in December 2012, for the French IT group, Atos (see <a href="report in EWC News 1/2013">report in EWC News 1/2013</a>). The special negotiating body of Inros-Lackner was advised by the EWC Academy.

• Further information on SE participation (in German)

## 8. Efforts towards correct consultation procedures

#### **Practical test for flowchart**

The European works council of Nielsen, the Dutch market research company, started its first "real" consultation procedure on 26 September 2013. It had agreed with central management in July 2013 on a flowchart with guidelines for putting the new EU standards correctly into practice following the French model (see report in EWC News 3/2013).



The actual background cause is central management's plan to restructure. For the purposes of the consultation procedure the EWC established a working group and mandated the EWC Academy as expert. The plans are currently being reviewed in-depth as part of an economic assessment of the possible impact.

#### Forthcoming event

Nielsen's EWC chairwoman will report on her experience at the conference of the EWC Academy in Hamburg on 27 and 28 January 2014.



EWC conference program

#### SE works council wants to strengthen consultation procedures



The SE works council of tesa, the adhesive manufacturer, held its 6 monthly plenary session in Hamburg from 16 to 18 October 2013. The agenda included a better use of information and consultation rights stemming from the SE participation agreement concluded in 2008 (see report in EWC News 4/2008). For this reason the EWC Academy was requested to give a summary of other SE works council activities and to point out possibilities for using the initiative rights for cross-border negotiations. Further steps are to be developed in a workshop

in spring 2014 with support from the EWC Academy.

#### Swiss electrical engineering group develops flowchart

ABB's European works council met in Regensdorf near Zurich from 5 to 8 November 2013. Following the adaptation of the EWC agreement to the new EU standards in April 2013 (see report in EWC News 3/2013), the 22 representatives from 17 countries now want to optimize the consultation procedure according to the French model. Several working groups have developed the key components of the future EWC activity with technical support from the EWC Academy. Following the example of Nielsen (see above), the EWC select committee will continue to work on the establishment of a flowchart.



# 9. The view beyond Europe

# A French Dutch airline strengthens social responsibility



A revised social rights and ethics charter was signed between central management and the European works council of Air France-KLM on 10 July 2013. It replaces an agreement from 2008 (see report in EWC News 1/2008). Formally speaking it was concluded only for Europe, however it is explicitly considered as a worldwide "source of inspiration". Compliance to the charter is monitored by the European works council whose steering committee prepares a monitoring report every year. The EWC of Air France-KLM was established after the merger in 2006.

- Report on the signing of the charter
- Full text of the charter

#### Forthcoming event

A EWC member of Air France-KLM will report on this topic in the EWC Academy conference to be held on 27 and 28 January 2014 in Hamburg.



• Program of EWC conference

#### Working group on equal treatment

A "Gender Equality Working Group" has been established between Unilever and two global trade union federations. This was announced on 9 October 2013. The working group has the goal of working out criteria for the promotion of women in all subsidiaries of the British Dutch consumer goods group as well as for the reduction of discrimination worldwide. The goal



of a 50/50 gender balance has already been achieved in Australia. The Danone food group supports similar developments with its globally applicable antidiscrimination agreement signed in 2007 (see report in EWC News 4/2007).

- Report on establishment of the working group
- Self-evaluation of Unilever on the topic

# Blueprint for collective bargaining in China



Independent labour legislation groups in Hong Kong published a "Code of Collective Bargaining" for the People's Republic of China on 11 October 2013. On the same day, the communist administration of Hong Kong's neighbouring province, Guangdong, passed new regulations on collective bargaining. Today, Guangdong is economically the most important province of the entire people's republic and was already open to the free market economy before 1980. Although the activists from Hong Kong have a critical stance towards the communist regime,

the new regulations from the neighbouring province are explicitly praised as an important step towards a real collective bargaining system.

- Report from Hong Kong activists
- Full text of the independent Code of Collective Bargaining
- Summary of new regulations in Guangdong

# 10. Interesting Websites

## Wage Developments in individual EU countries

The European Foundation for the Improvement of Living and Working Conditions, a research agency of the EU based in Dublin, presents the developments in wage policies and earnings for every country since 1999 on its website. For every year the changes for all countries and some key



industries can be consulted interactively on a colour coded map. The question of where branch level, centrally negotiated agreements prevail or where wage policy is fragmented at the company level, is also covered. The European Trade Union Institute (ETUI) in Brussels had also published its own graphical information on wage developments in the EU countries on its website in July 2013 (see report in EWC News 3/2013).

European Foundation maps

# European projects and seminars on employee participation



The European Centre for Workers' Questions (EZA) in Königwinter near Bonn devotes itself to international training from a Christian social perspective. Seminars and EU sponsored projects are regularly held on employee participation in Central and Eastern Europe or on the future of the European social model. European works councils are also part of EZA's work.

EZA website

#### **Database of EU-specific vocabulary**

Since 2004, the EU institutions have put in place a database of specialized vocabulary playing a role in European cooperation. The database has been accessible free of charge for the public since 2007. It is to be permanently expanded. It contains, at present, 8.4 million terms in 24 official languages of the EU, including 540,000 abbreviations and 130,000 phrases.



- The input mask for the database
- Brochure on the possibilities for using the database

# European campaign for fair chocolate



Several organisations have created a fair-trade website for chocolate with financial support from the EU. The campaign is aimed at improving the living and working conditions of cocoa farmers, putting an end to the exploitation of child labour, to promote sustainable and diversified farming and for the protection of the environment. Social and environmental standards are to be established not only for farming but throughout the entire supply chain.

- Campaign website
- Fact Sheet for the campaign

We have arranged numerous further interesting websites into a collection of links.

# 11. New publications

#### Analysis of branch-specific social dialogue

There have been institutionalized dialog forums in Brussels between trade unions, employers' federations and the European Commission for an exchange on socio-political questions since the middle of the 1980s. This "social dialog" was also introduced at the level of individual business sectors in 1998, with such committees currently present in over 40 sectors. This thesis published in July 2013 evaluates the results of social dialog and the actual consequences in the EU member states particularly in Germany, Denmark, and the United Kingdom. The



electricity and the trade sectors are presented as prime examples. The book is only available in German.

- Further information on the book
- Table of contents and sample excerpts
- On-line order
- Overview of industry-specific social dialog committees

#### Project report: Middle and senior level employees in EWC work



Eurocadres is the European umbrella organisation for professional and managerial staff representing over five million middle and senior level employees. As a cross-industry federation for a certain professional category it is an associated member of the European Trade Union Confederation (ETUC). With financial support from the EU it has examined the specific role of professional and managerial staff in EWC work. The project results have been available since July 2013 in three languages. The booklet deals with EWC agreements, the composition and functioning of European works councils, the information and consultation procedure and the coordination of EWC members among each other.

- Summary of the project
- Project report download

#### Guidelines on trade union lobbying at EU level

These guidelines showing the possibilities for trade unions to influence decision making within the EU institutions were published in September 2013. The booklet describes the individual steps in the EU legislative process and concrete activities for trade unions based on examples such as the Port Package or REACH, the EU regulation on chemicals. The basic principles of online campaigns are also covered. The booklet is available in English and French.



- Further information on the booklet
- Booklet download

# **Corporate Social Responsibility**



The Hans Böckler Foundation presented a new analysis of contractual agreements on Corporate Social Responsibility (CSR) in October 2013. Altogether 56 company agreements, international agreements and ethical guidelines were analyzed to evaluate current trends of the social partners in the workplace. Whereas, in the past, such agreements were usually limited to non-binding declarations of intent and at best suitable for marketing purposes, in more recent texts, a stronger control and an increased involvement of subcontractors, suppliers or service providers can be seen. The book is only available in German. Dr Reingard Zimmer, co-author of the analysis, had already researched this topic in detail in her dissertation (see report in EWC News 3/2008). She has belonged to the legal advisers to the EWC Academy for many years.

- Further information on the analysis
- On-line order

We have collected further literature into a compilation of publications.

12. The EWC Academy: Further examples of our work

#### U.S. avionics company strengthens EWC work

The EWC steering committee of Rockwell Collins met in Paris on 7 and 8 October 2013. With the support of the EWC Academy, it worked on the key points for the renegotiation of the EWC agreement which had been decided in their plenary meeting held from 25 to 28 November 2013 in Toulouse. The signing is planned for spring 2014. The EWC Academy delivered legal training on the handling of "confidential information" in Toulouse and an experienced representative from another EWC explained the possible methods for consultation procedures.



#### Space division of EADS faced with upheaval



The Astrium European Space Committee, a European divisional works council under the EADS umbrella, represents 15,000 employees in the space sector in Germany, France, Spain, Great Britain and the Netherlands. As previously the Airbus EWC (see report in EWC News 4/2012) it met from 8 to 10 October 2013 in the company's training centre near Bordeaux. The EWC Academy provided suggestions for the use of the new EU standards for information and consultation.

# Training on new EU standards

During Schibsted's European works council meeting held from 23 to 25 October 2013 in Brussels, the EWC Academy delivered training on the consultation procedure as well as on the definition and communication of "confidential information". The Norwegian media group established its EWC in 2004. The 34 members from eight countries meet twice annually.



Presentation of the EWC on the company website



#### Introduction seminar at the Nivea manufacturer Beiersdorf

Employee representatives from the European Forum of the Beiersdorf cosmetics group met on 20 and 21 November 2013 in Hamburg. The EWC Academy delivered training, particularly focused on the basic knowledge of EU industrial relations' systems and on the functioning of European works councils. Beiersdorf has a "voluntary" old agreement from the year 1996 which was last updated in March 2012. The European Forum is made up of one half each, employer and employee

representatives.

# 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 533 employee representatives from 209 companies have taken part including many of them for several times. This represents around 18% of all transnational works council bodies in Europ — not yet including the numerous in-house events of the EWC Academy.

• Overview of forthcoming events (in German)

# 6th Hamburg Conference for European and SE works councils

As every year a two-day conference is being organised in Hamburg covering the following topics:

**Monday, 27 January 2014:** Current trends in the EWC landscape – how to consult properly?

**Tuesday, 28 January 2014:** Visit to the Norsk Hydro aluminium plant in Hamburg and discussion with EWC members

- Conference program
- Report on the 2012 Hamburg conference



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

The following dates are planned in 2014: from 27 to 30 January 2014 a language course will be held in Hamburg, an additional course from 6 to 12 July 2014 in the English seaside resort Eastbourne and from 12 to 18 October 2014 a language course near Dublin.

• Further information on our language courses

#### German Dutch EWC seminar



A German Dutch EWC seminar is being organized for the first time in Doorn (near Utrecht) from 23 to 25 June 2014. It is specifically aimed at works council members from companies

- · with large sites in the Netherlands or
- for those whose EWC falls under Dutch jurisdiction.

The program is currently under preparation.

# Employee representatives in U.S. companies

A specialist conference is being held for U.S. company works council members for the second time on 30 June and 1 July 2014, this time in the America House Munich. Besides presentations from experts there will be the possibility for an exhange of experience on European works council activities and on the American management culture. Works council members from European companies with sites in the USA may also participate. Klaus Franz, the former EWC chairman of General Motors will moderate the conference.



#### 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, Rainer Appel, Manfred Bobke, Rita da Luz, Reingard Zimmer

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