



Welcome to issue no. 1 / 2008 of EWC News.

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Der EBR-Fachinformationsdienst

The training and consultancy network "euro-workscouncil.net" is there to inform you about the activities of European Works Councils and related subjects.

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1. Employers clear the way for negotiations

New EWC Directive: setback for British hardliners

The attention was focussed until last with tension on this building in Brussels near the EU institutions: the headquarters of the European employers' federation BusinessEurope. Its decision was announced on 2nd April 2008. Unlike the adoption of the EWC Directive in 1994, continental European employers' federations could enforce this time a pragmatic solution against the resistance of British industry. Now there is time until January 2009 for direct negotiations with the trade unions on the wording of the new EWC directive.



- [Letter from the employers' federations to the European Commission](#)

It was not an easy decision for the employers, but the pressure of trade unions, European Parliament and the European Commission had increased in recent months (see [report in EWC News 2/2007](#)). Without willingness to compromise the further legislative process would hardly have been influenced by the employers.

Review: The second phase of consultations started with delay

Already in early January 2008 an initiative of the European Commission had been expected (see [report in EWC News 4/2007](#)), but was slow in coming. After intense lobbying by the employers (see [report in EWC News 3/2007](#)), which was aimed in particular to weaken the requirements for informing and consulting the EWC, intense discussions took place behind the scenes between top officials from the inner circle of Social Affairs Commissioner Vladimír Špidla and representatives of trade unions and employers' federations. The European Commission was finally ready to make its draft **easier acceptable** for employers to pave the way for direct negotiations between the social partners.

On 20th February 2008 the European Commission went to the public with its consultation paper. The European Trade Union Confederation (ETUC) responded the same day agreeing with a press release.

- [Full text of the consultation paper](#)
- [Press release of the European Commission](#)
- [The reaction of the ETUC](#)
- [The opinion of the ETUC to the consultation paper](#)
- [Interview with Reiner Hoffmann, Deputy General Secretary of the ETUC](#) (in German)

Accompanying scientific study

The European Commission engaged the London-based consultancy firm GHK Consulting to calculate the impact of the legislative proposals for companies and to analyze costs and benefits of the EWC work. GHK Consulting is currently conducting telephone interviews in 80 companies with employers' and employees' side (that's one in ten companies with EWC).

- [Communication of GHK Consulting](#)
- [Statement of the trade union federation EFFAT on the survey](#)
- [The course of the revision process so far](#)



The French Presidency wants to tie restructuring package

The revision of the EWC Directive could get an additional dynamic in the second half of the year 2008, when France takes over the Presidency of the EU. Under the motto "Anticipation of Change" the French government wants to convene a forum to discuss early involvement of employees in restructuring. The European Commission wants to link all relevant legislative initiatives to a consistent strategy. Already on February 28th, 2008, Social Affairs Commissioner Vladimír Špidla had announced several initiatives for the period of the French Presidency to the European Economic and Social Committee in Brussels. This includes in addition to the revision of the EWC Directive in particular:

- a partnership for change between the European social partners along the lines of the agreed [partnership in the automotive industry](#) of 17th October 2007
- the beginning of the legislative process on transnational collective bargaining.

2. Court decisions in EWC issues

No merger without consulting the EWC

One of the most Europe-wide significant decisions for EWC jurisdiction was made in the Palace of Justice in Paris (photo) on 16th January 2008. The Social Chamber of the highest French Court of Appeal ("Cour de cassation") confirmed an interim injunction of the European works council of Gaz de France. This had stopped the merger with the French utility group Suez at the last minute in November 2006.



The ruling states that supervisory or administrative boards of multinational companies are not entitled to decide on a merger with other companies unless the consultation of the EWC has taken place correctly in all details and has been completed. The process includes a financial analysis by consulting firms, selected by the EWC itself. The judges grant an independent right of participation to the EWC - regardless of the rights of works councils of individual countries. The decision represents the culmination of a series of judgments in France, which strengthen the importance of transnational employee representation.

- [Full text of the judgment](#) (in French)
- [Background: recent court decisions in France](#) (in German)
- [Digression: The verdict in the case of Alcatel-Lucent in April 2007](#)

Also the French central works council of Gaz de France was not involved properly. Only a few days later, on 22nd January 2008, the district court of Paris reinforced its rights as well.

- [Press statement on the judgment relating to the French central works council](#)

New consultation process ends with social guarantees



Even before the conclusion of the dispute, the merger was pushed forward again in September 2007 against the resistance of the employees' side (see [report in EWC News 3/2007](#)). In an EWC meeting on 20th and 21st December 2007 the employees' representatives of Gaz de France called for additional documents to have them checked by their consultant and presented a list of 35 questions. Without responding to this, the central management invited for a further EWC meeting on 8th and 9th January 2008. Its aim to complete the consultation process before the announcement of the above judgment was however thwarted by the employees' representatives. In the course of the two turbulent meeting days they adopted five resolutions on various aspects of the consultation and asked in particular for

1. more information about the social and legal consequences of the merger and
2. more time to let these information evaluate by their consultants.

- [The resolutions for download](#) (in French)

Another special EWC meeting on 22nd January 2008 remained also without result. In response to the criticism and the judgement which was passed in the meantime, central management provided all required documents and faced once more the discussion in the EWC on 21st February 2008. On 11th March 2008 the EWC finally decided on his opinion against the merger after submission of the consultant studies. At the same time central management issued a statement on social guarantees for the merger, which is considered as a success for the employees. The following documents are only available in French:

- [Press release on the meeting on 21st February 2008](#)
- [Full text of the EWC opinion to the merger](#)
- [The declaration of the central management on social guarantees](#)

After concessions from management, the EWC of Suez had already given its opinion on 7th January 2008, it also rejects the merger. With the legally correct conclusion of the consultation process in both groups, the way for the merger is now free.

- [Full text of the opinion of the Suez EWC](#)
- [Backgrounds to the merger of the two utility companies](#)

The future of the two European works councils

With the merger, the EWC of Suez is automatically dissolved and the EWC of Gaz de France shall represent the entire group. Simultaneously, a special negotiating body (SNB) is formed, which is to negotiate a new EWC agreement within a few months. With that more could be achieved than with Alcatel-Lucent, where central management strictly declined a renegotiation of the EWC agreement after the merger.

- [Thesis paper on the EWC structure after the merger](#)
- [Full text of the EWC agreement of Gaz de France](#)
- [Full text of the EWC agreement of Suez](#)



Decision on election dispute at Schneider Electric

On 18th April 2007, the German Federal Labour Court (BAG) in Erfurt ruled on the question which court is competent for the contestation of the election of German members in the European works council of a French group. The BAG corrected the decision of the industrial tribunal Düsseldorf of June 2005 and referred the procedure back to the Higher Labour Court in Düsseldorf, where a judgement was made in December 2007. German and no French industrial tribunals are therefore competent. The following documents are only available in German:

- [Full text of the BAG decision](#)
- [The decision of the lower court in the wording](#)
- [Commentary on the BAG decision](#)

3. Reactions to factory relocations

Nokia disregards EWC rights at plant closure



Completely surprisingly the Finnish electronics company Nokia declared on 15th January 2008 the shutdown of its factory for mobile phones in Bochum with 2,300 employees to 30th June 2008. Previously the company had got nearly 100 m. € subsidies and guaranteed a certain number of jobs until 31st December 2007. The shutdown was announced two weeks after expiry of this period although the profit had increased by 60% in the 4th quarter 2007. The federal state government in Düsseldorf reclaims 41 m. € of Nokia.

On 30th January 2008 employee representatives from European Nokia locations met in Brussels on invitation of the European Metalworkers' Federation (EMF). They condemned the way of acting of the management, demanded an extraordinary meeting of the Euro Forum (so the official name of the EWC) and engaged a legal report for the possible violation of the EWC Directive. Nokia had already founded its Euro Forum in 1993, when the adoption of the EWC Directive was still far from certain and belonged at that time to the pioneers of a social Europe.

- [The EMF statement on legal consequences](#)
- [Press release after the meeting of the Nokia employees' representatives](#)

On 12th February 2008 a delegation of the Bochum works council held conversations with the Nokia central management in Finland, however without achieving the withdrawal of the shutdown decision. One day later the Finnish unions together with IG Metall and EMF published the "**declaration of Helsinki**" to the company policy of Nokia in which they demand a fair framework for participation in such restructuring decisions. Since 20th February 2008 the German group works council negotiates a compensation agreement with the employer.

- [Full text of the Helsinki declaration](#)
- [Background: Nokia and the site competition in the EU](#) (in German)

The situation in Romania



On 11th February 2008 production started in Jucu near Cluj-Napoca with 350 employees, it will go up to 3,500 later. The industrial estate had been set up with 60 m. € from the PHARE program of the EU, when still no investor was in sight. Aid money for business relocations within the EU is not paid any more since 2007. A German construction company is erecting the Nokia buildings in Jucu.

Till now, the Romanian trade unions haven't succeeded yet to organize the workforce and to negotiate a collective agreement. According to media reports uniformed watchdogs are engaged to prevent contacts of the newly hired employees with journalists or trade unions. The metalworkers' federation of the Romanian confederation Cartel Alfa accuses Nokia of exploitation, because the staff is working 60 to 70 hours per week, although the law allows only 48 hours. On 5th February 2008 the company went to the Romanian Minister of Labour Paul Păcuraru to apply for a change of the labour law. Since 18th March 2008 the Romanian anti-corruption agency checks the contracts between Nokia and the local authorities, after the mayor of Jucu has already been arrested in summer 2007.

- [Report on corruption allegations](#)
- [Background: Labour law in Romania](#) (in German)
- [Romania country profile: site comparison of IG Metall trade union](#) (in German)

Research site of Novartis in danger

On 18th December 2007, the 240 employees of the Novartis research institute in Vienna (photo) learned by video message of the shutdown of its location. The works council wants to use all possibilities to make this decision reversed. On request of the trade unions, the national economic commission dealt with the topic on 7th February 2008. It can check the company's decision, call for reports and make recommendations.



- [Solidarity call of the trade union GPA-djp](#) (in German)
- [Declaration of the European federation of chemical unions EMCEF](#)

The pharmaceutical company Novartis has a European works council ("Euroforum") since 1995 under Austrian law. The company headquarters is located in Switzerland. The EWC had accomplished in 2006 a Europe-wide comparison of working conditions as part of an EU-sponsored project.

- [Presentation on EWC activities and the project at Novartis](#) (in German)



Partial shutdown of a steel plant in Lorraine?

On 16th January 2008 the works council of the ArcelorMittal plant Gandrange on the Moselle was informed that 600 of the 1,100 jobs are to be cut. The European Metalworkers' Federation (EMF) in Brussels calls for the maintenance of an economically viable site and wants to stand up for an alternative concept together with the European works council of ArcelorMittal. The consulting firm Syndex, which was engaged by the works council, presented its report on 14th March 2008. This is also to be discussed in the select committee of the EWC in early April 2008 (see [report in EWC News 2/2007](#) for the EWC agreement of ArcelorMittal).

- [EMF press information](#)
- [The Internet Blog of the CFTD](#) (in French)
- [The report of the consulting firm Syndex](#) (in French)
- [Press release for the presentation of the report](#) (in French)

To introduce its divergent ideas into the discussion, the trade union CGT ordered a counter-report from the consulting firm EVS. Such an "expert battle" between unions is hard to imagine outside France. The CGT is in Lorraine in many companies in a minority position, the CFTD has ranked first there for some years.

- [The Internet Blog of the CGT](#) (in French)
- [The counter-report of the consulting firm EVS](#) (in French)
- [Background: Regional strongholds of French trade unions](#) (in German)

Redundancy scheme negotiations à la française

The Kléber tyre plant in Toul (Lorraine), a subsidiary of the French group Michelin, with 800 employees will be closed 2009. In the course of the protests, the staff took two HR managers at the plant under arrest and released them only three days later after agreement on a social plan. At the same time blockades were set up and tires were set in fire. An agreement was reached on 17th February 2008, after the French Labour Minister Christine Lagarde intervened in the conflict. The action found a Europe-wide press coverage, the German newspaper Frankfurter Allgemeine Zeitung (FAZ) warned: "Who negotiates with French trade unions must dress warmly."



- [The FAZ report on the events in Toul](#) (in German)
- [TV report on the protests](#) (in French)
- [Informationen on the European works council of Michelin](#) (in French)



Protests in Italy

The household appliances factory of Electrolux in Florence with 900 employees is to be closed. For the 4th April 2008, the Italian trade unions therefore call for a full day strike. In a solidarity message the Spanish union UGT demands uniform minimum standards at restructuring should apply in all European countries. Electrolux had already closed the AEG plant in Nuremberg in the year 2006.

- [The strike call of the Italian trade unions](#)
- [Press release of the European Metalworkers' Federation](#)
- [The solidarity letter of the UGT](#)

Only in June 2007 a conference on the future of the household appliances industry in Europe took place in Arezzo (Italy) at which was also discussed Electrolux (see [report in EWC News 2/2007](#)). For the Italian sites of the Swedish household appliances group a framework agreement was concluded in January 2007.

- [Case study on the European works council of Electrolux](#)

No detectable increase of relocations

WSI

On 22nd January 2008, the Hans Böckler foundation published first results of a survey conducted by the WSI institute among 2,000 German works councils. According to this about 8% of all sites were affected by a relocation. Most is relocated within Germany, only every fifth relocation went abroad. The following documents are only available in German:

- [For more information about the WSI works council survey](#)
- [Study of the Hans Böckler foundation on relocation abroad](#)

4. EWC agreements are adapted



RWE now with holding EWC

The move to a two-tier EWC structure in the energy group RWE took place on 16th November 2007 when a framework agreement was signed on the formation of a European Forum on RWE's top holding level. The special negotiating body (SNB) was formed in April 2007 and negotiated quickly and constructively.

The new agreement replaces a principle arrangement from the year 1995 which expressively

waived a "holding EWC" and provided only for the formation of divisional European works councils. After the take-over of the British water company Thames Water, the "European Water Forum" was initially established in June 2002. In March 2005 the "European Energy Forum" for the sales and network division RWE Energy followed and in January 2006, the "European Power Forum" for the power generation company RWE Power was launched.

The employee representatives of the respective subsidiaries were informed by central management of RWE on European developments and could coordinate their positions transnationally during the half-yearly meetings. With the sale of Thames Water in December 2006 however, the "European Water Forum" had lost its basis. With the now practised two-tier EWC structure, RWE is standing in a line with the Swedish paper group SCA, the aircraft manufacturer and armament group EADS and the Austrian steel producer Voest-Alpine (see [report in EWC News 2/2007](#)).

- [The RWE group structure at a glance](#)
- [Presentation on the European divisional forums](#)

Ambitious EWC project in a Danish bank

On 10th December 2007, an EWC agreement for Danske Bank was signed in Copenhagen according to Danish law. The chairmanship lies with the management, the 23 employee representatives choose the vice-chairman. Once a year there will be a plenary meeting, extraordinary sessions may be convened by a majority vote of the EWC. The ten members of the select committee ("exclusive board") meet three times a year. Thus, at least one meeting takes place in each quarter.



This agreement goes at one point far beyond the status quo of the EWC Directive: The rights of information shall serve namely to conclude group-wide agreements comparable to the examples Suez or Schneider Electric (see [report in EWC News 2/2007](#)). The new EWC agreement replaces the previous agreement from 2005.

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

To further strengthen the cooperation in the new EWC an EU-funded project for Danske Bank was launched. From 2nd to 4th December 2007, the first workshop was held in Dublin.

- [The working program of the project](#)
- [Report of the workshop in Dublin](#)



After protests: Generali renewed EWC agreement

After months of conflict-loaded negotiations, a new EWC agreement for Generali was signed on 18th December 2007 at its headquarters in Trieste. The role of the trade unions was particularly controversial, since they had organized a pan-European protest day in October 2006 together with the EWC against plans of the Italian insurance group to cut thousands of jobs. The hereby triggered pressure was not without effect: central management has committed itself in November 2006 to consult the employee representatives of all European countries early before restructuring (see [report in EWC News 1/2007](#)).

The now signed EWC agreement gives a new, improved basis to the European works council founded in 1997. It is based both on the new social charter of the group as well as the Italian implementation of the EU Directive on information and consultation. Provided are two annual plenary meetings with all 37 EWC members, a steering committee composed of seven members is running the daily business. However, the quality of the participation rights is not sufficient to match the levels of the Italian bank UniCredit, which had formed an EWC in January 2007 following the take-over of the German group HypoVereinsbank (see [report in the EWC News 1/2007](#)).

- [Report of the signing of the EWC agreement](#)
- [Presentation of the EWC on the company's website](#)

- [Full text of the social charter](#)

Earlier, the unions opposed the merger of the German daughters Volksfürsorge and AachenMünchner insurance. This would eliminate the headquarters of Volksfürsorge in Hamburg and 500 jobs.

Digression: The EU Directive on information and consultation in Italy

- [Full text of the EU Directive](#)
- [Report on the implementation of the EU Directive in Italy](#)
- [Presentation on the implementation of the EU Directive in Italy](#)
- [Trade unions and employee representation in Italy](#) (in German)



... and in other countries

- [Impact of the EU Directive in Poland and Ireland](#) (in German)
- [Documents of a research project on the implementation of the Directive](#)

Revised EWC agreement for Panasonic

A new EWC agreement for the Japanese electronics company Panasonic was signed in Paris on 8th February 2008 - it is subject to UK law. The "Panasonic European Congress" (PEC), the official name of the 1995 founded EWC, meets once a year chaired by the employer, it consists of 27 employee representatives from twelve countries. The new agreement extends the session by an additional meeting day. From now on all documents are translated into all relevant languages. A three-member Employee Representative Committee (ERC = presidium) meets four times a year. By contrast, a claim to training and to form internal working groups (on issues such as working conditions and the like) could not be reached. The negotiations were accompanied by Prof Dr Ulrich Zachert of the University of Hamburg, who also acts as a legal adviser of the training and consultancy network "euro-workscouncil.net".



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

One of Europe's first legal proceedings in an EWC matter took place in 1998 at Panasonic in the face of a plant closure in Longwy (France) and the then following relocation to Peine (Germany). The employee side then lost the trial in the second instance for formal reasons. To avoid such situations, every EWC should provide in its standing orders rules of decision-making and assigning of authority.

- [Backgrounds of the lawsuit of 1998](#) (in German, see page 624)
- [The importance of standing orders for the EWC](#) (in German)



Thomas Cook with a new EWC agreement

On 6th March 2008 a new agreement for the tourism group Thomas Cook was signed in Oberursel (Germany). The negotiations had become necessary due to the merger with the British company My Travel (see [report in EWC News 2/2007](#)). A new election of the EWC delegates will be held only in 2010, the two existing European works councils meet together until then.

The new agreement provides for two annual meetings with a duration of three days. The EWC elects a three-member executive committee which has a right of access to all European branches. EWC meetings are attended by a full-time trade union officer from Germany and the UK in an advisory capacity, additional experts may be called in accordance with German practice.

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

5. Employers hinder EWC establishment

Kühne + Nagel: Company founder operates legal filibuster

Since 1996, workers' representatives in the forwarding group Kühne + Nagel tried in vain to set up a European works council. They failed because of the aversion of the major shareholder and company founder against any form of employee participation, that appeared as early as 1976, when the German Co-Determination Act was passed: at that time to prevent the establishment of a supervisory board with workers' directors, he moved the company headquarters unceremoniously from Germany to Switzerland. This was also very favorable to avoid a European works council, as the courts had to deal with the responsibility within the EU for years, until in 2004 the European court of justice in Luxembourg (ECJ) finally declared the German subsidiary of Kühne + Nagel responsible.



- [Full text of the ECJ verdict](#) (in French)
- [Background report on the ECJ verdict](#) (in German)



However, the EWC establishment could not be accomplished because the central management in Switzerland prohibited all European branches from delivering the necessary information to Germany. A recent wave of lawsuits led in January 2007 to the first ever judgment on EWC issues in Austria (see [report in EWC News 3/2007](#)). In the employer camp the behavior of Kühne + Nagel is sharply criticized since such legal precedents would only strengthen the employees' side, at the end. Dr Werner Altmeyer, editor of the EWC News, asked the chairman of the German group works council, **Michael Kalis** (photo), on the background of the running court procedure. Kalis demands from the legislator to allow sanctions against such unwilling employers.

- [Full text of the interview](#)

In the European Transport Workers' Federation (ETF), the case of Kühne + Nagel is now treated with highest priority. On 7th December 2007, a meeting took place in Brussels involving the consultancy network "euro-works council.net" on how to proceed.

- [Report in the EWC newsletter of ver.di and GPA](#) (in German)

Stilke works council will continue to be without EWC



On 6th December 2007, the regional Labour Court of Baden-Württemberg rejected the claim of the Stilke station bookshops' works council to establish an European works council – for formal reasons. A voluntary agreement from 1996 stands contrary, which provides only for a written procedure on information and consultation. The establishment of an EWC is therein excluded. The company Stilke is part of the Valora group, based in Switzerland, which is in continuous conflict with its employee representatives. The following documents are only available in German:

- [Dossier of the trade union ver.di on Stilke](#)
- [Press report on the personnel policy](#)

The decision of the German labour court judges is rather unusual in the European comparison. In a comparable case, a voluntary EWC agreement of 1995 was suspended by a French court in October 2006, because only one single trade union (the CGT) had sued it (see [report in EWC News 1/2007](#)). France's highest appeals court confirmed that decision quite recently on 8th March 2008.

- [Summary of further court decisions](#) (in German)

6. Employee representatives set priorities



Department store chain in the criticism

On 28th November 2007 the employee representatives of the European works council of French retail group Galeries Lafayette called on central management to convene an extraordinary EWC meeting. Previously relocations from Portugal to Poland had become known, without any consultation of the EWC had occurred. The group operates department stores in France and Germany as well as financial services in eight countries. The EWC was formed in February 2005 under French law.

Comparison of working conditions in the cement group

26 employee representatives from twelve countries met in Warwick, UK from 28th to 30th November 2007 for the annual meeting of the Holcim Euro Forum. Since the acquisition of Aggregate Industries, the UK with 6,000 employees is the largest country in the Holcim group. For the first time delegates from Romania and Bulgaria attended no longer as observers but as full members. The employee representatives started a project with support of the Institute for Industrial Relations in Amsterdam to compare wages and working conditions in Holcim factories. The Holcim Euro Forum, so the official name of the EWC, had been established in 1996 according to Belgian law. The group has its seat in Switzerland.



- [Report on plans for an international framework agreement](#) (in German)
- [Background: international framework agreements in Switzerland](#) (in German)
- [Presentation on trends in the global cement industry](#)

Digression: participation rights of employees in Switzerland

The trade union Unia recently compared the participation rights of employees in Switzerland with the EU standards. The documents are available only in German and can be download here:

- [Comparison table of the participation rights Switzerland - EU](#)
- [Comment on comparison of participation rights Switzerland - EU](#)

IT service provider violates Belgian law

In a public letter the EWC of the IT service provider Atos Origin turned to central management in Paris on 17th January 2008 to protest against the violation of collective bargaining and labour law standards and the dismissal of employee representatives in Belgium. In June 2007, after long and arduous negotiations and shortly before the final expiration of the statutory three-year period, an EWC has been established at Atos Origin (see [report in EWC News 2/2007](#)).



Guarantee fund for restructuring requested



The EWC of the commodity group Rio Tinto Alcan at its meeting on 21st February 2008 still not get the necessary information on the sale of the packaging and processing division (see [report in EWC News 4/2007](#)). It calls for an early and regular information about the progress of planning, sufficient time for a financial analysis by EWC experts and the set up of a guarantee fund for redundancy schemes. Europe-wide actions against the threat of job cuts are planned on 23rd April 2008.

After the acquisition of the Canadian aluminum producer Alcan by the Anglo-Australian mining group Rio Tinto, the central management agreed to integrate the European operations of Rio Tinto into the EWC of Alcan. Rio Tinto had not yet established a transnational employee representation. The Alcan agreement was concluded in March 2006 under French law.

- [Background report on the merger of Rio Tinto and Alcan](#)
- [Full text of the Alcan EWC agreement](#) (in German)

General Motors close to conclusion of a framework agreement?

For more than a year the next Astra generation is being negotiated between the European Employee Forum of General Motors and the central management. On 13th March 2008 at a meeting in Frankfurt on the Main, the workers' representatives rejected new plans of the group (productivity improvements, outsourcing) generally. Previously a pan-European framework agreement should be signed, providing for minimum standards in the case of outsourcing and a waiver of plant closures. Such a negotiation mandate is not provided in the EWC Directive, it is based on a General Motors' European solidarity pledge from December 2005.

- [Press release on the launch of negotiations a year ago](#)
- [Report of a workshop held in Eisenach](#) (in German)
- [Press release on the current situation](#)
- [Presentation on the strategy of the workers' representatives](#)



7. Establishment of new European works councils



Bearings manufacturer soon with EWC

On 9th October 2007, negotiations on an EWC agreement were finalized at the headquarters of the Schaeffler group in Herzogenaurach (Bavaria). The employee representatives from ten countries, during the 15-month-long negotiations, dealt not only with the text of the agreement, but had already begun in anticipation of the new EWC with its substantive work. In the special negotiating body (SNB) they exchanged experiences on flexible working hours and job security. The EWC will be constituted by June 2008 under German law. The following texts are available only in German:

- [Report of a SNB meeting](#)
- [Report on conclusion of negotiations](#)
- [Web site of IG Metall for Schaeffler employees](#)

French bank set up EWC

On 30th January 2008, an EWC agreement for Crédit Agricole group was signed in Paris. This is one of the last major French banks, which has so far not yet founded an employee representation at the European level.



The agreement reveals a distinct French handwriting: it is a mixed body. The employer side consists of at least eight delegates, including the president of the bank as chairman of the EWC. Employee representatives come from 22 countries and are supported by a full-time trade union officer of the European federation of service sector trade unions (UNI). They meet once a year with the employer and can ask for a second plenary session. The nine members of the steering committee, including the secretary of the EWC, meet once a year with the employer and twice a year internally as well as at current events. All meetings will be held in Paris.

Although all costs for the meetings are paid directly by the employer, the EWC gets its own budget of € 60,000 annually. In addition to the meetings and to time-off in their countries of origin all EWC members get 30, the members of the steering committee 60 and the secretary 100 hours per year for personal disposition. Typical for France is also a very large funding of experts.

- [Press release for the EWC establishment](#) (in French)
- [Background: typical course of a French EWC meeting](#) (in German)



U.S. group founds EWC under Dutch law

On 13th February 2008, an EWC agreement was signed for Nalco. The U.S. group is working in water treatment and chemical processes for the industry. The special feature of the agreement: at the end of each quarter, there is an EWC meeting with all the delegates from 19 countries at the headquarters of the European management in Leiden (Netherlands), in which the management will provide a report on the financial situation. In addition, special meetings are possible in special cases. Each EWC member receives a personal time-off allocation of 40 hours, the secretary of 120 hours and the five other members of the steering committee of 60 hours per year. Attendance at meetings will not be credited against this.

The texts of numerous EWC agreements are available on a [download page](#).

8. The look beyond Europe

International framework agreements in the service sector



UNI's Global Framework Agreements

Affiliates can download agreements [here](#)

Carrefour - Euradius - Falck - France Telecom - H&M - ISS - Metro - NAG - Nampak - OTE - Portugal Telecom - Quebecor - Securitas - Telefónica - UPU

In addition to the metal industry, framework agreements on global social standards are particularly widespread in companies of the service sector. For the federation of service sector trade unions UNI this is a focal point.

Reingard Zimmer of EWC News spoke with **Alke Bössiger** (photo) of UNI in Geneva about union strategies on this subject. UNI had recently signed such an agreement in the Spanish telecommunications group Telefónica in December 2007 (see [report in EWC News 4/2007](#)). A hard campaign was needed in the Canadian printing group Quebecor, until in May 2007 a global framework agreement was perfect (see [report in EWC News 2/2007](#)).



- [Full text of the interview](#)
- [Overview of framework agreements in the service sector](#)
- [Background: Globalization and Social Justice](#)



Yoghurt factory in the U.S. gets employee representation

The French food group Danone was already in the 80s one of the pioneers in signing international framework agreements with unions. Nevertheless, fundamental labour rights are not granted anywhere, such as in the U.S. The 300 employees of the yoghurt plant in Minster (Ohio) were successful only on 6th December 2007 to enforce their right to union representation after the management had previously denied this. The success in the U.S. was made possible by support of the International Union of Food Workers (IUF) in Geneva, who had recently in June 2007 concluded an agreement on anti-discrimination with Danone (see [report in EWC News 4/2007](#)).

- [Press report on Danone in the U.S.](#)
- [The international work of the IUF](#)

On 20th February 2008 a Social Charter was signed at the Paris Roissy airport between the EWC and the central management of Air France KLM and thus extended an agreement for Air France from the year 2001 to the new group. After the takeover of the Dutch airline KLM by Air France, the two European works councils had merged in February 2006. The steering committee of the EWC will monitor the implementation of the charter, which formally applies only within the EU, but is worldwide regarded as a reference in the group.

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

9. EWC research

Study on consulting services for works councils shows large national differences



In December 2007, the Ruhr University in Bochum together with the Hans Böckler foundation published an industry study on consultants for works councils. In distinction from traditional management consulting firms, the "labour-oriented consulting" is directed towards the needs of employees and their representatives. It originated in the 1980s and the then changes in work organization and technology. Today works council consultants are engaged mainly at restructuring and closures, but also for the development of company agreements on a variety of issues. The boundaries between

consulting, seminars and applied research are fluid. All following documents are available only in German:

- [Report on the perspectives of works council consulting](#)

Of particular interest for European works councils is the chapter 5 as it compares consulting services for works councils on an international scale. The EU Directives on collective redundancies or on the information and consultation at national level stipulate – in contrast to the EWC Directive – no minimum provisions on the use of consultants. Everything here depends on national traditions. Thus, for example, the use of external experts is most widespread in France and virtually nonexistent in the United Kingdom. Germany is in the middle, but has a backlog.

- [Report on the work of French works council advisers](#)

The study points to the legal framework for some countries:

- In Germany, France, Belgium and the Netherlands the works council can call in experts at the expense of the employer, in Italy this applies only to the RSU (a kind of works council, which is not yet established in all companies).
- In Britain, Ireland, Denmark, Luxembourg and Spain, there is no rule that the employer must bear costs of external experts.

In Germany, the legal basis is sometimes disputed, as a judgment of the Regional Labour Court in Cologne in October 2006 shows, that exempts the employer from reimbursement.

- [Full text of the judgement](#)

Consulting for European works councils

The EWC Directive states in the subsidiary requirements the claim to call in an expert, what is most strongly used in French companies. The smallest is the expert support in Anglo-Saxon companies. Only 60% of all EWC agreements provide for the presence of experts in all EWC meetings, in some cases, the employer is not obliged to assume the costs.

For this reason the advisory mandate is often taken by full-time trade union officers free of charge. Here can be spoken of a hidden subsidization of the employer by membership fees of the unions. The present EWC Directive shows an unsharpness in the distinction between union officers and experts, that is why the European Trade Union Confederation is arguing for an independent right of unions to participate in EWC meetings in addition to assume the costs for experts.

- [Examples of the range of issues of EWC consulting](#)

- [Report on a cross-border cooperation of consultants](#) (in German)

Final report from Austria



On 28th January 2008, the University of Linz presented the final report of a research project, which had examined in cooperation with the Austrian Trade Union Confederation (ÖGB) success factors, barriers and challenges for European works councils. Case studies highlight the EWC work in Austria Tabak, Semperit, MAN and other companies. The study defines corner points on the way to an active and successful European works council and identifies problems such as the unsatisfactory staffing capacity of the unions for EWC support. The following documents are only available in German:

- [Conclusions and prospects for an active EWC work](#)
- [Digression: EWC communication through new media](#)

In previous editions of EWC News we had already presented results of the research project. The researchers have classified the role of the central management by type:

- [Type 1: The "culture of cooperation"](#)
- [Type 2: The EWC as a presentation forum for the group policy](#)
- [Type 3: The marginal EWC in the authoritarian corporate culture](#)

10. Interesting web pages



Nordic trade unions inform about EWC topics

Under the umbrella of Nordic IN 22 trade unions from the industries metal, energy, chemistry, paper and textile from Sweden, Denmark, Finland, Norway and Iceland have joined forces in order to strengthen its influence in Europe. The website provides also latest news on industrial relations and European works councils, partly in English.

- [The website of Nordic IN](#)
- [Information about EWC topics](#)

European works councils in small EU countries

This website is an excellent example of the transparent documentation of an EU-funded project, led by unions from Malta, South Cyprus and Estonia in 2007. Project management as well as research and seminar planning can be found in detail.

- [The website of the EWC project](#)
- [Report on Malta with EWC case studies](#)
- [Report on South Cyprus with EWC case studies](#)



French EWC with its own bulletin



The European works council of the French bank BNP Paribas publishes from time to time its own bulletin on its work. The files are available on a website of the trade union CGT-FO.

- [The bulletins of the EWC](#) (in French)
-



Regional networking of trade unions

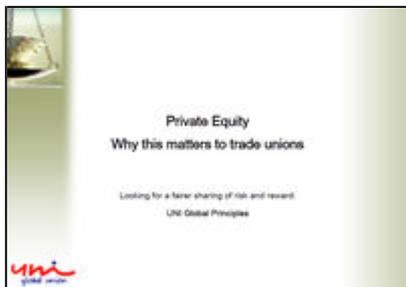
Regional unions of Lower Saxony, Andalusia, Greater Poland and Normandy connect with each other with this EU-funded project. Information about scheduled workshops and topics to be dealt with in the project, are available on the website.

- [The project website](#)

We have arranged numerous further interesting links in a [link collection](#).

11. New publications

Rules for financial investors



In October 2007 the confederation of service sector trade unions (UNI) presented a brochure on financial investors. Investment companies (private equity and hedge funds) should be required, with an eleven-point program, on socially responsible behaviour, especially to comply with applicable collective agreements and outsourcing agreements. The brochure is available in five languages and illustrates concrete cases, for example the entry of Blackstone at Deutsche Telekom or the dialogue of the British trade union GMB with Permira.

UNI Global Union
Private Equity. Why this matters to trade unions
Nyon 2007, 44 pages

- [Download of the brochure](#)
- [The eleven-point programme in the wording](#)

Legal manual for business transition

In February 2008, the third edition of a guide for works councils, who are confronted with various forms of restructuring, has been published. Shown are the legal consequences of business changes to the works council, the participation in the supervisory board, the validity of collective agreements, the individual employment contract as well as company pension schemes. Newly inserted are both the EU Merger Directive and the SE legislation. The book is only available in German.

Michael Bachner/Roland Köstler/Volker Matthießen/Wolfgang Trittin
Arbeitsrecht bei Unternehmensumwandlung und Betriebsübergang
Baden-Baden 2008, 3. edition, 499 pages, ISBN 978-3-8329-2592-5, € 58,-



- [Further information about the book](#)
 - [On-line order](#)
-



Radical change of Polish labour law

At the end of 2007, this dissertation was published, dealing with the transformation of Polish labour law in the years after 1989. An important aspect is the role of trade unions, who had initially claimed a monopoly in representing interests in the workplace (similar to the UK). Only the transposition of the EU Directive on information and consultation into Polish legislation led to the establishment of works councils in Polish companies starting from 2007. The prehistory of recent developments is shown by the author as well as the implementation of the EWC Directive and the consequences for the Polish industrial relations. The book is only available in German.

Patrizia Chwalisz

Die Transformation des polnischen Arbeitsrechts und die Gewerkschaften

Frankfurt am Main 2007, 248 pages, ISBN 978-3-631-56518-6, € 51,50

- [Further informationen about the book](#)
- [On-line order](#)
- [Digression: Participation in the German-Polish comparison](#)

Trade unions in Russia

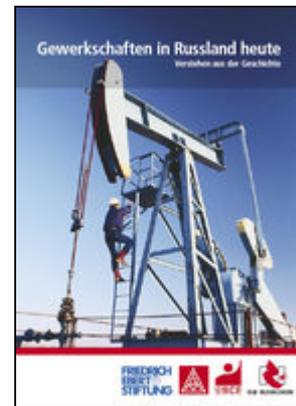
This booklet having been published in January 2008 examines the history of the Russian trade union movement after 1992 as well as the current situation in the metal industry and the chemical industry. It describes exemplarily the regular exchange of experience between the German and Russian workers' representatives in the Henkel group.

DGB-Bildungswerk and Others

Gewerkschaften in Rußland heute

Düsseldorf 2008, 55 pages, € 3,50

- [Download the booklet](#) (in German)



In May 2006 the European Federation of Public Service Unions (EPSU) presented a study on the Russian Gazprom group, one of the largest employers in Europe.

- [Full text of the Gazprom company profile](#)

12. Training and consultancy network "euro-workscouncil.net": Examples of our work

European Forum of Roche starts new term of office



Since 1996, the Swiss pharmaceutical group Hoffmann-La Roche has a European Forum. 27 members from 13 EU countries and Switzerland met in Brussels from 10th to 14th March 2008 to the constituent meeting for the next four years. Since about half of the delegates are new in office, the training and consultancy network "euro-workscouncil.net" conducted a workshop on EWC work and industrial relations in the EU countries.

A major point of discussion was the ongoing revision of the EWC Directive, which could potentially lead to an adjustment of the EWC agreement with Roche. This provides for one annual meeting with the central management, a coordinating committee meets twice a year. As a voluntary agreement according to article 13 of the EWC Directive it enjoys continuance protection until now; it is subject neither to the Swiss nor the law of a EU country. Positive feature is the inclusion of the two divisions pharmaceuticals and diagnostics; each subsidiary with more than 150 employees appoints at least one delegate per country to the EWC.

- [Full text of the EWC agreement](#) (in German)
- [Our offer for EWC workshops](#)

Restructuring in the energy industry in Western and Eastern Europe

What strategies pursue energy companies in the European single market? How can employee representatives react to it nationally and European? How can the role of European works councils in energy companies be strengthened and a common platform be developed, which is in Western and Eastern Europe equally sustainable? Energy workers' trade unions from Romania, Hungary, Czechia, Germany, Austria and Italy want to face these topics. A corresponding EU restructuring project is currently being prepared by the Training and Consultancy Network "euro-works council.net" in cooperation with the European Federation of Public Service Unions (EPSU) in Brussels.



- [Background: Employee representation in Central and Eastern Europe](#) (in German)

Completed projects: Reports now available



The Training and Consultancy Network "euro-works council.net" participated in an EU-funded project, which was initiated by the Italian research institute CESOS and the CISL trade union confederation, in the preparation of case studies in the chemical industry. In the companies Smurfit Kappa, Kion and ContiTech, the **influence of German works councils on restructuring** in the light of the new EU Directive on information and consultation was examined empirically (see [report in EWC News 2/2007](#)). All documents are now available on the research project website, including case studies from France, Hungary, Italy, Spain and Romania.

- [The connection between the German Works Constitution and EU Directive](#)
- [Full text of the sector study on the chemical industry and the case studies](#)
- [The website of the CESOS research project](#)

As part of the LINKS project ("Possibilities and Limitations for European Works Councils in the Port Sector"), the Training and Consultancy Network "euro-works council.net" presented a case study on the European works council of **Dubai Ports World**. This had been established in May 2007 following the acquisition of the British ferry and port company P&O by the Arab group, and replaced the EWC of P&O existing since the year 2000 (also see [report in EWC News 2/2007](#)). The document contains interesting details of legal proceedings from the year 2002, the only litigation of a European works council on British soil up to now. Therein the unresolved question of the legal status of British EWCs becomes exemplarily clear.



- [Full text of the case study](#)

Recent articles in professional journals

On the main topic "Trade unions on the rise?" in the magazine **spw** in December 2007, Kathleen Kollwe is involved with an article titled "What is Good Work?". Labour relations in Sweden are being illuminated in a country report by Dr. Werner Altmeyer and Olle Hammarström in the journal **der betriebsrat** in January 2008 under the title "Union representatives instead of works council". Also in January 2008, Bernhard Stelzl reported in the magazine **Mitbestimmung** about the WSI fall convention "WSI to poverty, wealth and welfare state" and Dr. Werner Altmeyer explained the recent court ruling on the preliminary stopped merger of Gaz de France with Suez ("Supervisory board must consider EWC rights", see also [point 2 above](#)). All texts are available only in German:

- [The article "What is Good Work?"](#)
- [Table of contents of the magazine spw from December 2007](#)

- [The country report on Sweden](#)

More publications can be found on our [publications page](#).

13. Current training schedule

Registrations are possible for the following seminars and workshops co-organized by us:

Works council activity in Europe – the European works council (EWC)

- Work without borders – the road to the European works council
16 – 19-09-2008 in Frankfurt am Main
- EWC for professionals – deepening and refresher course
03 – 07-11-2008 in Berlin

Europe for trade union officers of IG Metall

Institutions – Fields of politics – European works councils

16 – 18-04-2008 in Bad Orb

13 – 15-10-2008 in Bad Orb

In-house events

You find an overview of the subjects of in-house events here:

→ [Topics for in-house training](#)

→ [Topics for in-house lectures](#)

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