



Welcome to issue no. 2 / 2013 of EWC News.

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Der EBR-Fachinformationsdienst

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

EWC News appears four times a year.
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1. EWC legislation: Arbitration ruling in London

First ever decision on the consultation procedure in the United Kingdom



On 22 April 2013 in London, the Central Arbitration Committee (CAC) passed a ruling on the role of the European works council with respect to information and consultation. As a national arbitration board, the CAC operates as a first instance legislative body in collective labour legislation. Its headquarters are situated on the 22nd floor of the Euston Tower (photo), one of the highest buildings in the northern city center near Regent's park. Never before has there been a legal ruling on the matter in the United Kingdom. Three other CAC rulings dating from 2004 to 2008 were concerned with the establishment of a European works council or election processes, not however with the consultation procedure.

The recent decision is not very encouraging for employee representatives. The case was filed by Nigel Haines from Lisbon in his capacity as European works council co-chairman at the British Council, a non-profit organization for the promotion of international relations with offices throughout the world (similar to the Goethe-Institute in Germany). According to the EWC, in the context of a planned restructuring, central management had;

1. not provided information in a timely manner,
2. not provided information in sufficient detail and
3. not sufficiently informed and consulted on transnational matters relating to remuneration.

Background to the case

The British Council's European works council was established in 2006 following unsuccessful negotiations for the conclusion of a EWC agreement. The default EWC continues to operate today on the basis of the subsidiary requirements of the British EWC legislation (TICER), similar to the EWC of the easyJet airline (see [report in EWC News 3/2012](#)). Certain matters which are normally components of a EWC agreement were later regulated in writing with central management – a similar situation to the German Railway company "Deutsche Bahn" between 2005 and 2012 (see [report in EWC News 2/2012](#)). An additional "EWC Code of Practice" was developed with central management in 2009 including a schedule for consultation procedures and a communications' flow diagram.

When it became known on 1 August 2012 that a pilot project for performance based remuneration for teachers in Ukraine was to be exported to Romania, the EWC filed legal proceedings on 7 August 2012. The EWC feared a gradual change in the entire remuneration structure throughout the EU and identified shortcomings in the consultation procedure for restructuring in foregoing months. Central management rejected all the allegations and opened an intensive discussion process with the EWC on the basis of documents going far beyond minimum legal standards.

The CAC ruling

The arbitrators endorsed central management's opinion on all points. The EWC Code of Practice is not legally binding ("a Code being not legally enforceable"). Information was communicated neither too late nor with too little detail because there had been altogether 16 steering committee meetings since February 2011 and the employer had always fully complied with requests for further documentation. Furthermore the EWC legislation does not require central management to communicate reports days ahead of planned meetings. The pilot project for performance based remuneration for teachers does not fall in the EWC's scope of competence either, since the legislator has clearly excluded the subject of remuneration. Moreover the matter cannot be considered as "transnational" in the sense of the EU directive since in this particular instance it only involves one European Union country (Romania).



- [Full text of the CAC ruling](#)
- [Overview of further CAC EWC legal cases](#)
- [EWC legislation guidelines from British Department for Business Innovation and Skills](#)

What lessons can be learned from this?

1. With its Code of Practice, the British Council EWC is already a few steps ahead of many other European works councils. In the context of the new European Union directive it can be very useful to clearly define the structure of the consultation procedure in detail – including flowcharts. However it is not sufficient just to put this down in writing. To be legally enforceable, it should be integrated into the EWC agreement.

2. Such a legal case is not at all conceivable without the very detailed and conscientious documentation of meeting minutes and emails. The proceedings before the CAC were actually based only on documented facts without an oral hearing.

3. Although the EWC lost this case, other works councils should not be discouraged from taking legal action in London. Such close co-operation, as in the British Council, between central management and the EWC, is not generally the rule in Anglo-American companies. Central management from other companies must first of all attain this standard, before they can hope for a victory in court. A benchmark has consequently been set for future disputes.

Upcoming event on the subject

This legal case will be discussed at the annual EWC Academy conference in London on 24 and 25 October 2013.



TIPP!

- [Program of EWC conference in London](#)

2. Handling confidential information

French industrial tribunal stops consultation procedure



Judges in France have once again stopped the restructuring process in a company due to irregularities during the information and consultation procedure with the works council. The Paris industrial tribunal ruled on 11 March 2013 that a planned workforce reduction in the research division of the Sanofi pharmaceuticals group could not take place at that time. They had first to run through the whole consultation procedure again.

Justification for the court's decision: documents submitted to the central works council at the beginning of the information procedure, on 2 October 2012, were classified as "strictly confidential". Employee representatives could therefore not discuss the full details of the planned restructuring with the workforce. The judges ruled that the strict confidentiality was abusive. Almost 1,000 jobs are to be lost and the Toulouse site completely closed. Following texts are available only in French:

- [Report on the industrial tribunal's decision](#)
- [Full text of the ruling](#)

While this ruling is only directly relevant to French works councils, it nevertheless throws a light on the consultation procedure in European works councils. Is such a decision also conceivable for a EWC? Can EWC members at all carry out their consultation duties, if they can only share limited information with national works councils or with the workforce? Who decides which documents are confidential or not confidential according to objective criteria?

The German EWC legislation refers to this in Article § 35:

"The members and substitutes of a European works council are obliged not to use or reveal any business or professional secrets, which have been given to them as a member of the European works council and which have been expressly classified as confidential by central management ... the obligation does not apply toward other members of the European works council. Furthermore it does not apply toward local employee representatives..., nor to the employee representatives on supervisory boards..."

The obligation of confidentiality does not apply for the fulfillment of union duties

Confidentiality is particularly an issue in Anglo-American oriented companies. Employee representatives are often bound to utmost secrecy through very restrictive clauses in the EWC agreement. The European Court of Justice passed a ruling in 2005, allowing the communication of confidential information for the fulfillment of work-related duties. The legal dispute concerned whether employee representatives on supervisory boards could inform their trade union about a forthcoming merger (see [report in EWC News 3/2009](#)).

Upcoming event: Seminar on confidentiality

The EWC Academy is organizing a seminar on this topic from 23 to 27 September 2013 in Luxembourg. It will include a visit to the European Court of Justice.



TIPP!

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

3. Better employee participation in France

Hundreds of employee representatives soon on supervisory boards



The new legislation on employment security was officially announced on 16 June 2013 in Paris. It is based on an agreement which was concluded on 11 January 2013 between a majority of French trade union organizations, the employers' confederations and the socialist government (see [report in EWC News 1/2013](#)). At the heart of the legislation lies a comprehensive labour market reform, but it also includes new rules for European works councils. In the future, they can elect employee representatives on the administrative or supervisory boards in the same way as SE works councils in the European Company

(SE).

Although, with the new legislation, France is still far behind the parity-based participation rights in Germany (photo), there has not been such a substantial development in employee participation rights in Western Europe since the 70's. In the future all companies with more than 5,000 employees in France (and/or more than 10,000 world-wide) must include employees on their administrative or supervisory boards with full voting rights. There are one or two seats allotted depending on the size of the board. The first seat is always allotted to the French works councils, and the second elected by the European works council. As is the case of the European Company (SE) this can be a representative from another country. The new rules concern the largest French companies (around 200).

So far there have only been employee representatives with full voting rights in government majority-owned companies, or in those privatized in recent years. If there are employee shareholders they also have a right to a seat. Up to now, in the private sector, employee representatives participate on administrative or supervisory boards mainly in a consultative capacity. Since all these mandates will remain in place, in the future actually four, six or more employee representatives will often participate in the meetings, even though not all with voting rights.

- [Contents of employment security legislation](#)
- [Report on the national assembly vote](#) (in French)
- [Overview of company participation before the reform](#)
- [Background report on Corporate Governance in France](#) (in German)

Top management remuneration under stronger scrutiny

On 17 June 2013, the French employers' confederations in collaboration with the socialist government released a new Code of Practice for the Corporate Governance of listed companies. It is considered as one of the strictest sets of rules within the OECD, but is not however legally binding. Monitoring is carried out by a seven member high-ranking governance commission ("Haut Comité de gouvernement d'entreprise").



Corporate business made this voluntary commitment under the threat that the government would otherwise pass appropriate legislation. The Code of Practice contains a chapter dedicated to employee participation in Corporate Governance bodies. Each employee representative has hereby a right to training in the future. One employee representative will systematically sit on the remunerations committee which fixes executive officers salaries. Following texts are available only in French:

- [Report on Code of Practice publication](#)
- [Overview of the most important changes](#)
- [Full text of Code of Practice](#)

First slight majority for reform-oriented trade unions



Whereas French employee representatives take on greater responsibilities with these recent developments, at first sight the trade union landscape hardly shows signs of reform. France remains the country with the largest number of competing trade unions and the lowest membership figures of all West-European EU countries. On 29

March 2013, the Ministry of Labour released the latest statistics which are used to determine the recognition for industry-wide collective bargaining rights ("représentativité"). The five major confederations that were already considered as representative since 1966, maintain their status and are authorized to sign national collective agreements. According to industrial relations legislation in force since January 2009 this status is now fixed for the next four years (see [report in EWC News 4/2008](#)).

For a collective agreement to be valid, the contracting trade unions must totalize at least 30% of the works council election votes at the corresponding level of application. To topple a collective agreement, the challenging trade unions need 50% of the votes. Since there has been a slight shift in the last three years in favor of the moderate trade unions (+2%), the more militant trade unions CGT and CGT-FO together totalize only 48.8% of the votes. They can therefore no longer legally challenge any collective agreement on a national level. In particular this also applies to framework agreements with the government, which for example gave rise to the new employment-security legislation.

- [Figures from the Ministry of Labour](#) (in French)
- [Diagram of most important results](#) (in French)
- [Up-to-date review from Friedrich Ebert Foundation](#) (in German)

4. Reports from other countries

Hungary: No more protection against dismissal for works council members

The new labour code came fully into force in Hungary on 1 January 2013 after a six month transition period. It severely weakens employee rights and violates the European Social Charter according to trade unions (see [report in EWC News 3/2011](#)). The Hungarian labour legislation can consequently be considered as the second most flexible in Europe after the United Kingdom. As a result the right-wing conservative government is hoping for a revival of the heavily depressed economy. Hungary has had an unemployment rate of 10 to 12% for years.



The new labour code also reduces works council and trade union rights. From now on, only the chairperson of the works council has a protection against dismissal and all other members are no longer protected. The time-off work allowance for trade union representatives has also been reduced and the time-off entitlement for seminars completely cut. The protection against dismissal of Hungarian European works council representatives is now unclear. According to article 10-3 of the EWC Directive they "shall, in the exercise of their functions, enjoy protection and guarantees similar to those provided for employees' representatives by the national legislation in force in their country of employment". Since simple members of a Hungarian works council no longer have any protection against dismissal, Hungarian EWC members are consequently also no longer protected – unless they are the chairperson of a Hungarian works council.

Trade unions address the consequences

One of the major difficulties of Hungarian trade unions is their low membership levels and strong fragmentation. Only 14% of all employees are trade union members and there are six competing confederations. On 1 May 2013 three of these confederations announced a planned merger. They represent about two thirds of all union members in Hungary.

- [Workplace employee representation in Hungary](#)
- [Contents of the new labour code](#)
- [Report on current situation of Hungarian trade unions](#)
- [Merger announcement from three confederations](#)

Complaint from Belgian government on German social dumping



On 18 March 2013 the Belgian government filed a complaint against Germany with the European Commission in Brussels. Beforehand labour and economics ministers were able to make

their own assessment of working conditions in slaughterhouses in Lower Saxony. The Belgian meat industry had brought the matter to the attention of its government, since it is no longer competitive as a result of wage dumping practices in Germany. It was criticized for the lack of minimum wages and the employment of East European workers in unworthy conditions.

Local government in Lower Saxony wants to support Belgium and in this way make pressure on Berlin. "The low wage country Germany has become a job-killer in many of the adjacent countries such as Belgium". EFFAT, the European Federation of Food, Agriculture and Tourism trade unions has also demanded that the German government put an end to social dumping. Discussions between the German NGG trade union and large slaughterhouse groups, in an attempt to find a solution, broke down on 27 June 2013.

- [Report on the complaint filed by Belgian government](#) (in French)
- [Press report on the situation in Germany](#) (in German)
- [EFFAT press release](#)
- [Report on the discussions with slaughterhouse groups](#) (in German)

Croatia becomes the 28th member state of the European Union

The former Yugoslav constituent republic, Croatia, has become a full member state of the European Union since 1 July 2013. The negotiations for accession began in October 2005 together with Turkey. The country has 4.5 millions inhabitants and the third-highest unemployment rate in the EU of 23%, after Spain and Greece. A lot of foreign investments come from Austria and Italy is the most important trade partner. Apart from tourism shipbuilding also plays a major role.



The largest foreign owned company is the former state-owned telephone company. With 6,000 employees it now belongs to Deutsche Telekom and operates under the name T-Hrvatski Telekom (see [report in EWC News 1/2012](#)). Before its entry, Croatia had to transpose all social policy European Union Directives into national legislation. This included also the Directives on European works councils and on participation in the European Company (SE). All existing European and SE works councils have therefore now to accommodate for Croatian representatives.

- [Official website on EU entry](#)
- [Information from Friedrich Ebert Foundation](#)
- [Employee representation in Croatia](#)

5. New initiative in the European Parliament

Coming closer to legislation on transnational company agreements



Following the historical decision of the European Parliament on 15 January 2013 to demand a pan-European legislative initiative on socially responsible management of restructuring (see [report in EWC News 1/2013](#)), another spectacular legislative initiative is in the making. In a meeting held on 20 June 2013 in Brussels, the European Parliament committee on employment and social affairs voted favorably on a report from the German MEP, Thomas Händel, on the legal safeguarding of transnational company agreements. Händel belongs to the parliamentary group of the European United Left and was a trade union officer of IG-Metall from 1979 to 2009. The vote gave a surprisingly large majority (31 votes for, 6 against, 3 abstentions), which means that the report is very likely be adopted in a plenary session of the European Parliament in the second half of 2013.

The Händel report includes the following points:

- The legal framework should be optional (voluntary)
- Only representative trade unions are to negotiate and conclude agreements
- European works councils should be involved but not take part in negotiations
- A mechanism for out-of-court settlement of disputes should be introduced

- A suggestion is made for the establishment of a European labour jurisdiction

German or French model?

The European Commission has also been working on the subject, and since 2005 already. It recently submitted a working paper in September 2012 and has started consultations (see [report in EWC News 3/2012](#)). Although the number of transnational company agreements is constantly growing there is strong resistance against such legal regulation from the employer's side. Whereas in the beginning there were "soft" topics such as equality between men and women, further training or occupational safety, now increasingly "harder" restructuring questions are becoming the object of such agreements. So far there is however no security on their legal enforceability. There is also controversy as to who should carry out negotiations and sign the agreements: the European works council (German model) or the trade unions (French model), or both. A recent research project from the Hans Böckler Foundation shows:

"French dominated EWCs tend to leave negotiations up to the European industry federations and to national trade unions. German employee representatives often consider rather the EWC to be a central player."

A strong coordination role for European Trade Union Federations must rely on well staffed full-time structures. Since this is less and less the case, the European works councils negotiate themselves, a situation which is reflected in the figures from the Hans Böckler Foundation: out of the 75 agreements examined, 61 were signed by a EWC and only 21 by European Trade Union Federations.

Works councils sidelined and without legal protection

This empirical evidence is not however reflected in the Händel report. The majority of agreements existing today are purposefully excluded from the legislative initiative and so continue to be legally unprotected. Furthermore there is no mention anywhere of the demand from many German works councils for the European works councils to evolve towards codetermination. Preference is clearly being given to the French model (in a similar way to the EWC Directive already). The disregard for German codetermination in Brussels is even more surprising, since at the same time the special advantages of German participation are increasingly appreciated in France and are the object of reform (see [report above](#)).

- [Press statement from Thomas Händel](#) (in German)
- [Full text of the Händel report](#)
- [ETUC position statement](#)
- [Short report on the Hans Böckler Foundation research project](#) (in German)

6. Consultation in collective redundancies

Highest Court of Justice in Madrid strengthens Spanish works councils

On 20 March 2013, the Spanish Supreme Court of Justice passed judgment for the first time, under the controversial labour legislation reform from February 2012. On the grounds of incomplete works council consultation, collective redundancies were invalidated at Talleres López Gallego, a construction company in the industrial town of Móstoles, near Madrid. According to the judges, the works council should have the possibility to develop alternatives to the layoffs. This means that detailed documentation on the company's economic situation is necessary. The cancellation of the layoffs follows the French model, whereby any unilateral measures taken by the employer with an incorrectly conducted or incompletely finalized consultation procedure are null and void (see [report in EWC News 4/2009](#)).



The ruling has strong political significance. The conservative government's labour legislation reform passed by emergency decree in February 2012 to combat the financial market crisis, contains the most substantial restrictions to labour legislation since the end of the Franco dictatorship. Trade unions reacted to it with protest demonstrations lasting for weeks and a general strike (see [report in EWC News 2/2012](#)). With record high unemployment of over 25% these reforms have created a climate of Manchester capitalism and lawlessness in Spain, which is now being countered by the Supreme Court of Justice.

- [Overview of 2012 labour legislation reform](#)
- [Report on the court ruling](#) (in Spanish)
- [Full text of the ruling](#) (in Spanish)
- [Recent study on trade unions in Spain](#) (in German)

Highest Court of Justice in Riga weakens Latvian employee representation



The Supreme Court of Justice of Latvia passed exactly the opposite ruling on 26 April 2013. At SmartLynx, the Latvian airline, judges saw no reason to invalidate the shutdown of aircraft maintenance and the dismissal of all the engineers based in Riga. In consultations, employees are to be given the chance to develop alternatives to layoffs or to reduce the number of employees involved. The European Union Directive on collective redundancies does not however make provisions for any agreement on compensation. Consequently, in the opinion of Riga judges, there is no right to any compensation or for the cancellation of layoffs if a consultation procedure is incompletely or not at all carried out.

- [Report on the ruling](#)
- [Full text of ruling](#) (in Latvian)

British government halves consultation period

In the United Kingdom the consultation period for collective redundancies involving more than 100 employees has been fixed since 6 April 2013 to 45 days. Previously layoffs could only take place after 90 days. Despite this 50% reduction, the delay is still longer than in Ireland, where it generally amounts to only 30 days. The legislative changes are part of a long-term package of labour legislation reforms, which the Department of Business, Innovation and Skills (BIS) has planned for the coming months. ACAS, the independent arbitration board has released revised guidelines on the consultation procedure.



- [Report on the legislative changes](#)
- [Revised ACAS guidelines on collective redundancies](#)
- [Full text of the EU Collective Redundancies Directive](#)

7. New SE works councils and revised EWC agreements

Hannover Rück establishes SE works council and avoids parity-based supervisory board



The Special Negotiation Body of this reinsurer concluded an SE agreement with central management on 23 January 2013 in Hanover. The company is majority owned by the Talanx insurance group, which does not yet have a European works council. The SE agreement provides for the establishment of an SE works council which will meet twice annually and will have the right to take cross-border initiatives. It elects a four-member steering committee. To a large extent the other features of the agreement correspond to the default regulations of the German SE participation legislation.

As previously, employees delegate three German members to the supervisory board (1/3 participation). However a parity-based supervisory board is not established when the threshold of 2,000 employees in Germany is passed. The SE agreement only makes provisions for open-ended discussions leading to mutually accepted changes. If the discussions break down, 1/3 participation remains in force. The reinsurance company hereby jumps on the bandwagon of typical German SE company conversions which aim at restricting employee influence in supervisory boards in terms of figures.

- [Press report on SE conversion](#)

Fuchs Petrolub establishes SE works council and avoids parity-based supervisory board

An SE employee participation agreement was signed on 30 January 2013 in Mannheim between the lubricant manufacturer's central management and the Special Negotiation Body. The company is majority owned by the founding family and has 3,800 employees world-wide. In Germany the threshold of 2,000 employees for the establishment of a parity-based supervisory board has not yet been reached. As a consequence, the employees' side delegates two of the six supervisory board members (one-third participation). This proportion is to remain in place after the SE conversion even if the workforce grows - an important justification behind nearly all SE conversions in Germany.



The future SE works council is made up of ten members from seven countries. A further nine countries have no representatives due to the very limited number of employees and are co-represented by other countries. Europe excluding Germany has consequently been divided into three regions. A similar solution was already developed in 2008 for the Hamburg based tesa adhesive tape manufacturer (see [report in EWC News 4/2008](#)). Following texts are available only in German:

- [Report on the signing of the SE agreement](#)
- [Background info: participation in the European Company \(SE\)](#)

Swiss Pharmaceuticals Company adopts new EWC Directive



The EWC agreement for Novartis, the world's second largest drug manufacturer, was updated on 1 February 2013 in Vienna. The company has its headquarters in Basel and therefore outside the EU. With 4,000 employees it is the largest pharmaceuticals company in Austria. The EWC established in 1995 comes under Austrian jurisdiction which is considered to be the best in the EU. In cases such as Novartis, who will keep the status of an old "voluntary" agreement according to article 13 of the previous EWC

Directive, the Austrian employee representatives are entitled to directly invoke the provisions of the new EWC legislation (see [report in EWC News 1/2011](#)).

The steering committee is made up of eight members and meets three times a year. The EWC can furthermore establish working groups, which likewise may meet up to three times annually. On the other hand, plenary sessions take place only once per year. The new EWC agreement also documents in detail the consultation procedure for the case of restructuring. Central management guarantees to implement measures only once the procedure has been completely finalized. A particularly high emphasis is given explicitly to occupational safety. One particularity is the inclusion of references not only to European Union Directives, but also to ILO conventions and OECD guidelines as a basis for cooperation. The labour courts are not competent for disputes but the International Chamber of Commerce in Vienna is responsible for conciliation.

- [Presentation of Novartis EWC](#) (in German)

Up-coming event on the subject

The renegotiation of EWC agreements will be the subject of a legal seminar held in Berlin on 9 and 10 October 2013.



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

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

8. European company agreements à la française

Professional integration of young people

A European-wide agreement was concluded on 28 March 2013 in Paris between central management of the French group, Safran and the European industry federation industriAll for the professional integration of young people. By these means, the formerly state-owned high-tech manufacturer of aircraft equipment and communication electronics, wishes to implement good practices for the integration and non-discrimination of youth not only in its homeland France (where over 80% of the 45,000 European workforce are employed), but also in eleven further EU countries and Switzerland in support of sustainable personnel planning. The EWC agreement concluded in July 2008 (see [rapport dans les CEE-News 3/2008](#)) was also adapted to the standards of the new EU Directive on 12th April 2013.



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

Occupational Well-being



On 23 May 2013 social partners in Lafarge, the French building materials group, concluded a European-wide agreement on occupational well-being as an addition to the common declaration on occupational health and safety from June 2011 (see [report in EWC News 3/2011](#)). It covers topics ranging from responsible management of restructuring, employee recognition in the workplace, teamwork through to work-life balance. The agreement contains also a list of "best practices" and some health indicators.

EWC role in change management defined

An agreement on social guarantees for Air France-KLM ground and service personnel was concluded on 12 June 2013 at the Paris Roissy airport between the EWC and central management. The offices abroad and sales organizations have been seriously affected by the increasing number of electronic transactions such as on-line check-in and e- or mobile-ticketing.



In the agreement central management commits itself to communicate transparently on forthcoming restructuring. Furthermore the role of the European works council and the responsibilities of national employee representatives are defined as well as coordination between both levels, which represents one of the requirements of the new EWC Directive. Priority is given to measures on job-security. As a pilot project the agreement will automatically expire on 1 April 2014, if there is no new agreement. The EWC was established after the two airlines merged in 2006.

- [The EWC website of Air France-KLM](#)
- [Full text of the EWC agreement](#)

9. From framework agreements to World works councils

First framework agreement in the private gambling sector



An international framework agreement for the protection of employee rights was signed on 6 March 2013 in Madrid for one of the world's largest groups in the gambling business. The Spanish Codere group with 22,000 employees is present in Spain, Italy as well as in six Latin American countries. This agreement hereby sets a social benchmark

in a growing world-wide industry.

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

French EWC strengthens relations with Japan

A European works council delegation from Axa met with Japanese trade union representatives and local management in Tokyo on 15 April 2013. With over 8,000 employees, Japan represents a relatively large part of the French insurance group. Following the visit of Japanese representatives for discussions in Paris already on the 4 July 2012, two representatives have been invited to participate in a EWC meeting in November 2013.



For the first time in the current term of office the steering committee has designated a person responsible for extra-European contacts and who has already met with employee representatives from Tunisia, Morocco, India and Mexico. These efforts are aimed at later establishing a World works council. Axa is one of the world's largest insurance groups and has one of the best EWC agreements in France (see [report in EWC News 2/2009](#)).

- [Agenda of the Tokyo visit](#)
- [Report on latest EWC steering committee](#)
- [Axa EWC website](#)

Italian energy group establishes World works council



An international framework agreement for Enel was signed on 14 June 2013 in Rome and which makes provisions not only for the establishment of a World works council, but also for three committees (occupational health and safety, further training as well as equal treatment). The largest Italian electricity supplier has around 74,000 employees world-wide, and mainly in Latin America outside Europe. There is already an agreement on corporate social responsibility in place since April 2009 which involves the European works council (see [report in EWC News](#)

[2/2009](#)).

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

10. Interesting websites

Unilever European works council

The website of the German group works council also features the "Unilever European Works Council" (UEWC). A new film illustrates the activities, composition and philosophy of the UEWC in five languages. A number of EWC members get the chance to speak in the nine-minute video. Amongst other topics a presentation shows how the EWC dealt with the announced closure of a detergent plant in Spain in summer 2012 (see [report in EWC News 2/2012](#)). The EWC developed its own "Barcelona agenda" as an alternative to the short term profit-oriented objectives of central management.



- [UEWC presentation on the German works council website](#) (in German)
- [The UEWC video](#)
- [PowerPoint presentation of the UEWC](#) (in German)

- [Background to EWC's "Barcelona agenda"](#) (in German)
- [Report on world-wide network meeting](#)

UniCredit European works council



The European works council of UniCredit, the Italian banking group, is present at three different addresses on the Internet. A presentation on the company website introduces the body under the heading of "Corporate Governance". All transnational agreements concluded up to now (see [report in EWC News 2/2009](#)) are also available for download. Both the CGIL and FABI trade unions have put in place their own Internet presentations of the UniCredit EWC.

- [The EWC on the company website](#)
- [The EWC on the CGIL website](#) (in Italian)
- [The EWC on the FABI website](#) (in Italian)
- [Report on last EWC meeting](#)

World-wide solidarity campaigns

The British website, USI, uses the latest technologies such as Podcast, Twitter etc. to report on the observance of social standards throughout the world, from a trade-union perspective.



- [The USI website](#)
- [Webmaster self-presentation](#)

First rating agency for working conditions



The Italian website Bastard & Poor's is not at all about the rating of financial products, but about the evaluation of working conditions from the employees' viewpoint. Survey participants may

anonymously evaluate eight subjects (working environment, type of works contract, further training, sickness protection etc..) according to a points system (five traffic light scoring). Evaluations have already been carried out for many companies including Ikea, Ryanair, IBM, Vodafone and Adecco. The website is still under development and is only available in Italian.

- [The Bastard & Poor's website](#)

We have arranged numerous other interesting websites into a [collection of links](#).

11. New publications

Trade unions in a EU-acceding state, Turkey

Up to now, the once strong Turkish trade union movement has not yet recovered from its breakup following the 1980 putsch. In this economical boom country on the Bosphore, their influence is hindered by deep ideological rifts, extremely restrictive legislation and very small membership levels. Over and over again there are also reports on the violation of workers' rights by multinationals. This review from the Friedrich Ebert Foundation analyzes the current situation of Turkish trade unions. A report evaluates trade union legislation which was modified in December 2012 and which in some parts violates



international standards. A Turkish Newsletter in German (“Türkei-Nachrichten”) which is published several times a year by the Friedrich Ebert Foundation provides interesting news on the political situation.

- [Trade union movement review - download](#)
- [Trade union legislation evaluation - download](#)
- [Summary of the Turkish Newsletter](#) (in German)



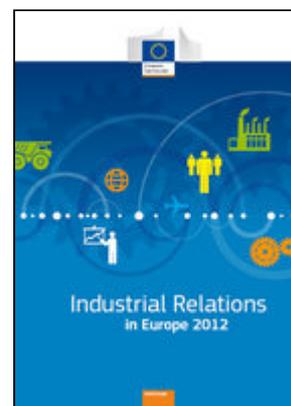
Company Reporting on non-financial matters

The European Trade Union Institute, (ETUI), published a review in February 2013 which examines the legal environment and practices in company reporting within 28 European countries above and beyond traditional balance sheets and business figures. Is there an open and transparent dialogue on social policy and on the efforts to attain sustainability? A team of experts from the European Commission already started working on the subject in 2011 and subsequently a draft directive has been submitted on 16 April 2013. In the future companies with more than 500 employees will have to make annual reports on their efforts in the domain of human rights, environmental protection, employee rights and anti-corruption measures.

- [ETUI review download](#)
- [Full text of the draft directive](#)
- [German DGB trade union position statement on draft directive](#) (in German)

European comparison of labour relations

In April 2013 the European Commission published its latest report on the situation of European level labour relations and within the EU member states. It appears to be “increasingly conflictual” in comparison to previous years, as a consequence of austerity measures due to the financial market and euro crises. The report which is published every two years, contains up-to-date figures e.g. on the scope of collective agreements or trade union membership figures and provides an overview of European labour legislation reform since 2010. One chapter is devoted to the situation in Central and Eastern Europe.



- [Report download](#)



Monitoring of international framework agreements

This practical handbook on the implementation and monitoring of international framework agreements in multinational companies was released in May 2013. Such agreements (also called IFA) between trade unions and European works councils on the one hand, and corporate management on the other, lay down world-wide minimum social standards. The handbook was produced by EWC members from five companies in the wood and furniture industry as part of an EU-sponsored project. It provides valuable suggestions for employee representatives wishing to conclude or monitor international framework agreements and includes a master plan for integrated IFA management and audit.

- [Practical guide download](#)
- [Further information about the project](#)

We have gathered other literature together into a [collection of publications](#).

12. The EWC Academy: Examples of our work

Engineering company starts SE conversion

A Special Negotiating Body (SNB) was established on 24 April 2013 at the headquarters of Inros Lackner in Rostock, an architecture and property development company (photo). In the coming months it will prepare a SE agreement with central management. Inros Lackner was founded in 2004 following the merger of two groups from East and West Germany, and is currently growing throughout the world. The SNB has mandated the EWC Academy as expert.



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

Adaptation of EWC agreement in French pharmaceuticals group



The steering committee of the Sanofi EWC met on 14 June 2013 in Berlin, to identify the needs to adapt its EWC agreement. A list of major points for further discussion was drawn up with the support of the EWC Academy. The agreement, concluded in 2005 after several mergers, has not been modified since that time. The rules of the new French EWC legislation therefore apply directly to the third largest pharmaceuticals group in the world, which strengthens the negotiating position of the EWC.

In some respects the current Sanofi agreement provisions already go beyond the new EWC Directive standards, in particular the number of meetings and representatives. Although Sanofi did not opt for the European Company (SE) legal structure, five employee representatives from three countries sit on the company management board in an advisory role. A legal change in France, which specifies that, in the future employee representatives are to be elected to the management board of large companies with full voting rights (see [report above](#)) also requires the Sanofi EWC agreement to be adapted.

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

Trans-atlantic social dialogue?

For the first time a seminar was held on this subject on 5 and 6 June 2013 in Berlin. 14 participants from eight companies met in the American Academy on Lake Wannsee to exchange working experience with US parent companies and/or sites in the USA. Experts presented the current situation of labour relations in the USA and gave a brief insight into company strategy and cultural differences.



Kenneth Levy, a former public relations spokesman of DaimlerChrysler, Ford and General Motors attended from New York. Michael Fichter from the Free University of Berlin described how Volkswagen is trying to establish a works council in the USA. Ado Wilhelm, a former divisional officer of the German ver.di trade union and supervisory board member of T-Mobile, reported on the US campaign at Deutsche Telekom. Amongst other reports on works council experience was the transfer from the German Siemens group to an American managed company at Corning Cable Systems in Bavaria. A further meeting focusing on the USA is planned for summer 2014 in a similar form.

- [Report on Volkswagen in the USA](#)
- [Interview with Michael Fichter](#)
- [US trade unions support establishment of works councils](#)
- [Website on the campaign at T-Mobile in the USA](#)

Impressions from other seminars



- Left: Participants of the EWC seminar in Montabaur Castle from 2nd to 5th April 2013
- Middle: Seminar participants in front of the European Parliament, Strasbourg, 16 April 2013
- Right: EWC presentation of Ikea for the German participants of the Scandinavian seminar during their ferry-trip from Kiel to Oslo on 22 April 2013

13. Current training schedule



New seminar brochure

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 negotiation bodies since January 2009. So far 503 employee representatives from 202 companies have taken part including many of them for several times. This represents around 18% of all companies in Europe with an established EWC or SE works council. A training schedule brochure for the second half of 2013 is now available for download.

- [Training schedule download](#)
- [Further information to individual dates](#) (in German)

Seminar for EWC members at Greenwich University

A EWC seminar is being held from 3 to 6 September 2013 on the campus of the Old Royal Naval College in the London suburb of Greenwich (photo). It consists of three modules, which can each be booked individually: besides the introduction to German participation for non-German employee representatives there is the EWC Initiation Seminar for beginners and an advanced seminar running in parallel under the title: From a "song and dance act" to a fully-fledged European or SE works council.



This seminar will be conducted in English and simultaneous interpretation for other languages is available on request. Once a year the same seminar also takes place in Germany on Montabaur Castle, the next time however being first in autumn 2014 (following regular works council elections in Germany).

- [Program and registration form](#)
- [Report on a comparable seminar in Montabaur](#) (in German)



Works council conference EU - Switzerland

For the first time a conference for employee representatives is being held from 11 to 13 September 2013 in Zurich on the incorporation of Switzerland into European works councils. The Swiss workers' participation act will also be covered. The conference is of special interest to works councils whose companies have sites in Switzerland or to those who have important management functions there.

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

Seminar on EU legislation in Luxembourg

A legal seminar for works council members is being held from 23 to 27 September 2013 on confidentiality and data protection. Who defines which information is to be classified secret? And which confidential information may be passed on to whom? The processing of personal data and the EU data protection Directive will also be covered. The agenda also includes a visit to the European Court of Justice (photo).



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



EWC legal seminar

A seminar organized in Berlin on 9 and 10 October 2013 will cover the new EU legislation on European works councils as a basis for the renegotiation of EWC agreements. Topics will also include the legally refined procedures by mergers, spin-offs or relocation of company headquarters ("changes in structure"). Current legal proceedings on EWC matters will also be on the agenda.

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

International works council conference in London

A conference is being held for the third time already in London on 24 and 25 October 2013. The meeting will be simultaneously interpreted. It is particularly addressed to European works councils members who fall under British jurisdiction and to employee representatives wishing to familiarize themselves with the British system.



- [Program and registration form](#)
 - [Report on 2012 London conference](#)
-

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

The next language training course will take place from 27 to 30 January 2014 in Hamburg and an additional course on 6 to 12 July 2014 in the English sea-resort Eastbourne.

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

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](#)

14. Imprint

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