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Welcome to issue no. 2 / 2024 of EWC News

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1. Preparatory work on the new EWC Directive bill

Employer organisations worried about court decisions



Following the launch of the legislative procedure by the European Commission for improved EWC rights in January 2024 (see [report in EWC News 1/2024](#)), the discussion on details has begun. On 22 March 2024, six European employer organisations presented a joint position paper. It is based on BusinessEurope's position paper from November 2023 (see [report in EWC News 4/2023](#)).

The employers accept that there will be a change in the law, but would like to limit the legal recourse for European works councils as much as possible. Only the employers in the chemical industry, who presented their own position paper on 3 April 2024, do not see legal disputes in EWC law as an issue. Below are some concrete proposals:

- The EWC should only be competent in very serious cases of "transnational matters" so that there is no overlap with the rights of national works councils.
- So-called "voluntary" EWC agreements from before 22 September 1996 are to retain their special status and should also remain not subject to the EWC Directive in the future.
- The handling of confidential information should not be regulated by the legislator, but by the parties themselves within the EWC agreements. This proposal is completely new and means that the existing statutory rules would be simply done away with.
- The financing of legal disputes should be regulated by each EU member state according to national practice; the EU directive should not set any binding requirements in this regard. Employers want a veto over the mandate and funding of more than one expert for the EWC.
- The EU member states should be obliged to develop alternative dispute resolution mechanisms in order to avoid an unnecessary proliferation of court proceedings.
- The consultation of the EWC should not lead to delays in restructuring and the right to interim injunctions to block measures is categorically rejected.

[Joint position paper of the employer umbrella organisations](#)

[Position paper of the chemical industry employers](#)

The European trade union federations responded to the employer organisations' position paper on 6 May 2024 with a public statement and objected to eight specific points.

European Parliament calls for improvements

The European Commission's draft bill does not go far enough for MEPs. On 3 April 2024, the members of the Committee on Employment and Social Affairs set out their demands for the negotiations on the final text of the directive. 28 MEPs voted in favour of the paper, seven against and eight abstained.



The changes demanded by the MEPs are totally at odds with the position of the employer organisations. In particular, access to justice and the tightening of sanctions for violations of information and consultation rights should be ensured, including the right to interim injunction to put a stop to measures. Before the final negotiations can begin in the triologue, the "conciliation committee" between the three legislative institutions (European Commission, European Parliament and Council of Ministers), the position paper still has to be adopted in a plenary session of the European Parliament.

Lobbying activities behind the scenes

According to the transparency regulations, all meetings between companies and organisations and MEPs are to be made public. On the subject of the revision of the EWC Directive, lobby meetings were held with MEPs from Italy, France and Slovakia. In addition to the European Trade Union Confederation, the European Employers of the Metal, Engineering and Technology-based Industries and the Italian employer organisation Confindustria have also been active behind the scenes. The US company IBM is also trying to influence the legislative process through lobbying. IBM pursues a restrictive EWC policy and was involved in a spectacular legal dispute in Spain (see [report in EWC News 4/2020](#)).

[Overview of the legislative process](#)

[European Trade Union Confederation press release](#)

[Press report on the draft legislation discussions](#)

[Background report in the Hans Böckler Foundation magazine](#)

[Background report in the Green Party magazine](#) (from page 13)

Council of Ministers is ready for negotiations



On 20 June 2024, the Council of Employment and Social Affairs Ministers adopted its position for the negotiations on the EWC directive at a meeting in Luxembourg. Compared to other legislative initiatives, agreement was reached quite quickly; the exact text had already been agreed in the Permanent Representatives Committee of the EU countries on 10 June 2024. Many of the proposed improvements are no longer controversial and will be included in the new text of the directive. However, the issue of sanctions, which have been watered down by the Council of Ministers, remains open. The fines for violating EWC rights are to be lower than in the General Data Protection Regulation, where up to 4% of the company's global turnover is possible.

Five countries intervened at the meeting of the Council of Ministers. The red-red Spanish government was vehemently in favour of strengthening European works councils and called for tough sanctions. The Czech centre-right government supported the compromise, but warned against too much bureaucracy for companies. The social-democratic government of Slovakia, the liberal government of France and the right-wing conservative government of Italy expressly spoke out in favour of the reform of the directive. The conservative-green government of Ireland, against which infringement proceedings are underway (see [report in EWC News 2/2022](#)), did not take part in the debate.

[Press release on the decision](#)

[Council of Ministers draft proposals for the new EWC Directive](#)

[Opinion of the European Economic and Social Committee](#)

Forthcoming event

Once it comes into force, a large number of EWC agreements will have to be adapted within just two years. In order to be well prepared for these negotiations, we are offering a seminar in Würzburg from 12 to 15 November 2024.

[Seminar programme](#)



2. Completed European legislative procedures

A strike is not a single market crisis



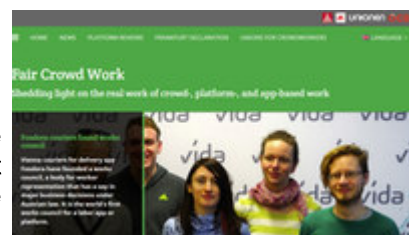
On 1 February 2024, the Council of Ministers and the European Parliament reached an agreement on the principles of the Single Market Emergency Instrument (SMEI) Regulation. This is intended to ensure the stability of supply chains for critical goods and services in the event of future crises such as the coronavirus pandemic. The controversial issue was whether strikes should be considered an exceptional, unexpected and sudden event that would trigger the emergency mechanism (see [report in EWC News 3/2022](#)).

Following intensive lobbying by the trade unions, there is now a passage in the regulation stating that a strike does not constitute a crisis. Strikes cannot be suppressed on the pretext that they would constitute an obstacle to the free movement of goods and services. Intervention by Member States to end the strike would therefore not be justified.

[European federation of Industrial Trade Unions press release](#)

Platform economy: Franco-German blockade overcome

On 11 March 2024, the Council of EU Employment Ministers voted in favour of adopting the directive on the protection of workers in the platform economy. In the previous vote on 16 February 2024, the required majority of 65% of the EU population had been marginally missed and the legislative proposal deemed to have failed (see [report in EWC News 1/2024](#)). However, a subsequent change of mind by Greece and Estonia secured a majority. In the end, all EU countries except Germany and France voted in favour.



On 24 April 2024, the directive was then adopted by the European Parliament by a large majority (554 votes in favour, 56 against and 24 abstentions). The new regulations are intended to ensure that the status of employment relationships in the platform economy is correctly recorded and that bogus self-employment is effectively combated. In this regard, the directive provides for a reversal of the burden of proof. It also regulates the use of algorithms in the workplace for the first time.

[Report on the vote in the Council of Ministers](#)
[Report on the vote in the European Parliament](#)
[Text of the European Parliament's resolution](#)
[Overview of the Directive's content](#)
[Report on legal developments in the USA](#)

German veto could no longer stop the Supply Chain Directive



On 15 March 2024, the Council of Ministers finally managed to achieve a majority for a watered-down EU Corporate Sustainability Due Diligence Directive, on its third attempt. The Belgian Council Presidency had previously succeeded in persuading France and Italy to change their minds. Germany abstained from voting because its liberal coalition partner, the FDP, had vetoed the proposal (see [report in EWC News 1/2024](#)). On 24 April 2024, the European Parliament also approved the new text with 374 votes in favour, 235 against and 19 abstentions. The directive must be transposed into national law within two years.

The directive will apply to all companies with more than 1,000 employees and a turnover of over €450 million starting in 2031. Originally, thresholds of 500 employees and a turnover of €150 million were planned. As a result, only 5,400 companies in the EU are now affected instead of 16,000. Larger companies will already be gradually covered from 2027. Lower thresholds for high-risk sectors and clauses linking the remuneration of board members to compliance with climate targets have also been removed. The directive reinforces the role of works councils and trade unions, as the implementation of due diligence obligations must be developed in consultation with them. European works councils and SE works councils will also play a role here.

[Report on the vote in the European Parliament](#)
[Text of the European Parliament's resolution](#)
[Explanation on corporate due diligence](#)
[Report on the impact of the German Supply Chain Act](#)
[Analysis of the directive and comparison with the German law](#)

3. Other developments at European level

First step towards an EU directive on teleworking

On 30 April 2024, the European Commission launched an official consultation of the European social partners to solicit their views on possible legislation on fair teleworking and the right to disconnect. Legislative initiatives in labour law always require a two-stage consultation of the social partners before the European Commission can take action itself. Joint proposals by the social partners have priority and can be implemented in the same way as an EU directive. However, this is highly unlikely, as negotiations between the social partners on teleworking and the right to disconnect failed in November 2023 (see [report in EWC News 4/2023](#)).



The European Commission is now under pressure to act, as the European Parliament demanded in January 2021 that no employee should be obliged to be available around the clock. A new EU directive is to define minimum requirements for teleworking, e.g. working hours and rest periods, as well as a right to disconnect in order to prevent mental stress and burnout (see [report in EWC News 1/2021](#)). In the EU, 20% of all employees work from home some of the time. How can employee rights and health protection be ensured when working from home and clear boundaries drawn between professional and private life? The European Commission commissioned a scientific study on this topic and the results have been available since 15 March 2024.

[Press release from the European Commission](#)
[Full text of the consultation document](#)
[The European Commission's study](#)

Call for EU directive to end stress in the workplace



On 15 May 2024, the European Trade Union Confederation (ETUC) called for a legislative initiative to improve mental health and combat psychosocial risks in the workplace. The European Parliament also made this call in March 2022, but the European Commission has so far failed to act. The new directive aims to effectively prevent psychosocial risks in the workplace, such as anxiety, depression, burnout and stress, and to address risks caused by structural problems in the way work is organised.

[ETUC press release](#)

[Overview of the discussions in recent years](#)

[Resolution of the European Parliament](#)

[Study by the European Parliament](#)

[Examples from Sweden, Belgium and Denmark](#)

[Conference report on mental health at work](#)

Hungary wants to "make Europe great again"

On 1 July 2024, Hungary took over the Presidency of the Council of the European Union under the motto "Make Europe Great Again". It rotates every six months between the 27 member states. Hungary's presidency was controversial. The task of the presidency is to act as an "honest broker" between the member states and drive forward EU legislation. Hungary sees the shortage of skilled labour as a key challenge. In order not to depend on immigration, the employment rate of the European population is to be increased, in particular through a better work-life balance, the integration of people with disabilities and a higher labour market participation of senior citizens.



Following the elections to the European Parliament, which took place from 6 to 9 June 2024, key positions in Brussels will be filled. The appointment of the European Commission will probably take until the end of 2024. New legislative initiatives are not expected until then. However, Hungary intends to press ahead with the ongoing procedures and finalise them if possible. The Hungarian work programme explicitly mentions the directives on the European works council, teleworking, gender equality and improving the working conditions of trainees.

[Press report on the Hungarian Council Presidency](#)

[The website of the Hungarian Council Presidency](#)

[The work programme for the second half of 2024](#) (see from page 31)

[Critical assessment by former Hungarian EU Commissioner László Andor](#)

[The results of the 2024 European elections](#)

4. Reports from individual countries

Works councils cannot replace a trade union



On 26 April 2024, the High Council in The Hague, the highest court in the Netherlands, ruled on the competence for collective bargaining at the airline TUI Airlines Nederland. The Council confirmed the judgement of the Regional Court for South Holland of August 2022, according to which TUI is obliged to conduct negotiations with the FNV union. Until now, the working conditions of

cabin crew have only been negotiated with the works council. The FNV represents far more than 20-25% of the workforce concerned which is the lower limit applicable in Dutch case-law, above which the collective bargaining capacity of a trade union is no longer questionable. Many flight attendants had called on TUI to negotiate with the FNV.

According to the court's reasoning, for negotiations on their employment conditions, the cabin crew have an interest in being represented by an independent trade union, which can have recourse to collective action as well as enforcing compliance with collective agreements. The works council is less free and independent vis-à-vis the employer than a trade union and cannot take collective action. TUI's

management was unable to convince the judges that an agreement with the works council is necessary for efficient business operations and that TUI differs from other airlines that conduct collective bargaining with the union. Further reasons given by the management for refusing to negotiate were that the FNV wanted to enforce higher wages, for which the time was not yet ripe, and that the communication style of the parties differed. These arguments also failed to convince the judges to exclude FNV from collective bargaining.

[Press report on the court ruling](#)
[Full text of the ruling](#)

UK wants to abolish EWC law

On 16 May 2024, the UK government announced its intention to abolish the UK EWC Act (TICER) and launched a public consultation on the subject. As part of their Brexit campaign in 2016, the British Conservatives promised to keep existing labour laws based on EU directives in force after Brexit. The British EWC law was therefore not abolished. How this issue will be dealt with after the general election is currently unclear.



All companies with global headquarters on British soil that had an EWC or were negotiating the establishment of an EWC on 31 December 2020 will continue to be subject to British law. However, UK law no longer applies to European works councils that have been newly established since 1 January 2021. In June 2023, the third instance Court of Appeal for England and Wales confirmed that British companies must continue to apply British EWC law (see [report in EWC News 3/2023](#)). The consultation paper justifies the abolition of the law on the grounds that many European works councils are inefficient anyway. There would be no disadvantages for employees, as the role of the EWC could be taken over by trade unions or other forms of employee representation. The 67 companies still subject to the law could reduce their environmental impact and realise savings of £4.4 to £7.2 million.

[Full text of the consultation paper](#)

Forthcoming Event

The results of a research project on the status of British EWC members will be presented at the Hamburg conference on 27 and 28 January 2025.

[Conference programme](#)



Tesla brings strikebreakers from abroad to Sweden



Since October 2023, all Swedish Tesla branches have been on strike to enforce a collective bargaining agreement. As the car manufacturer from the USA only has workshops and no factories in Sweden, the number of employees affected is relatively small. However, the issue is of fundamental importance for the Swedish model of industrial relations with 88% collective bargaining coverage. Tesla refuses to enter into collective bargaining agreements anywhere in the world.

Meanwhile, a dozen trade unions from other industries are supporting the strike at Tesla by boycotting: cleaning, waste collection and construction work in the workshops have been stopped, charging stations are no longer being maintained, mail is no longer being delivered, the painting of Tesla vehicles and their loading at the ports is no longer taking place (see [report in EWC News 4/2023](#)). Since February 2024, Tesla has been bringing temporary workers from other European countries to Sweden, sometimes for several short-term stays, in order to undermine the boycott. No solution is in sight so far. On 25 June 2024, the IF Metall trade union announced that it would take legal action against Tesla. With reference to the strike, the management of the Uppsala subsidiary had refused to disclose information about the financial situation, which it is obliged to do under the Co-determination Act. There are no works councils in Sweden, so these rights belong to the trade unions, even if the company is not bound by collective bargaining agreements.

[Further reports on the course of the industrial action](#)
[The importance of the strike for the Swedish model](#)

5. Employment trends in the European economy

Germany loses, France gains

In the first half of 2024, Germany accounted for the largest job losses in the European Single Market, whereas France was gaining more jobs. A total of 87,000 job losses were reported, of which 36,000 (over 40%) were in Germany alone, while only 1,700 new jobs were created. Of the 95,000 newly created jobs registered in the single market, France in particular benefited with 37,000 (just under 40%) with only 6,900 jobs lost. Spain is in second place in terms of job losses with 9,600 (11% of the single market), but this is offset by 7,600 new jobs. There was also a large increase in employment in Italy with 14,000 (15% of all new jobs in the single market) and only 1,800 jobs lost. These figures are taken from the database of the European Restructuring Monitor (ERM), which analyses the effects of restructuring in large companies on employment. The database can be searched by country, sector and other criteria.



The manufacturing and financial industries are most affected by job losses, with Germany alone accounting for over 50% of all job losses in the single market in these sectors. In the manufacturing industry, Poland is the main winner, creating 45% of all new jobs in the single market. In the financial industry, Ireland used to benefit, but now it is Spain, where 74% of all new jobs in the entire single market are created.

Growth in the IT and transport industries

In IT services, 8,000 jobs were lost, while 12,600 new jobs were created. The losers are Germany and Spain (together over 50% of all job losses in the single market). In this sector, France alone gained more jobs than were lost in the entire single market. France also leads the single market in energy supply (+11,800) and construction (+3,600). Many new jobs (17,800) were created in the transport and logistics sector, where only 3,600 were lost. The big loser in this sector is Spain (more than half of all job losses in the single market), while France is also the big winner here. Italy is currently experiencing an enormous increase of 5,600 new jobs in the hotel and catering sector.

[The Restructuring Monitor database](#)

Mass job cuts in the automotive and steel industries



The largest cutbacks were announced at automotive supplier ZF Friedrichshafen, with 12,000 of 50,000 jobs to be cut in Germany alone by 2030. French automotive supplier Forvia plans to cut a total of 13% of its European workforce by 2027, with 2,000 to 2,500 jobs being cut each year. Ford is cutting 2,750 jobs due to the closure of its factory in Saarlouis, plus 1,600 at its Spanish factory Almussafes (near Valencia). Job cuts were also announced in two waves at the Cologne plant.

The German automotive supplier Continental plans to cut 2,400 jobs in Germany and 230 in the Czech Republic. The Dutch car manufacturer Stellantis is cutting 1,500 jobs in Italy and closing its site in Metz (France) with 230 jobs. Škoda Auto plans to lay off 1,000 employees in the Czech Republic. French automotive supplier Valeo is cutting 730 jobs in Europe. The US company Tesla wants to get rid of 10% of its global workforce, including 400 at its factory near Berlin. Tesla has so far refused to recognise collective agreements and co-determination (see [report in EWC News 4/2019](#)).

Liberty Steel on the brink of collapse

Adverse market conditions and a lack of liquid capital have led to an extreme deterioration in the situation of the London-based steel group, which employs 18,000 people in continental Europe, in recent weeks. Three sites (Belgium, Luxembourg and Italy) were put up for sale, two coking plants in Hungary were shut down and two large steelworks (in the Czech Republic and Poland) filed for insolvency. Liberty Steel is owned by an Indian-British industrialist family and is part of the GFG Alliance (see [report in EWC News 1/2022](#)).

Tata Steel in Port Talbot (Wales) has been on strike since 18 June 2024, the first industrial action in the British steel industry for 40 years. The Indian steel company wants to close the blast furnaces and cut 2,800 jobs. The trade union Unite had previously succeeded in obtaining a pledge from the Labour Party to invest £3 billion in British steel following a change of government. The aim is for the UK to catch up with EU countries that are making their steel industry fit for the future with public investment.

[Press release on Liberty Steel](#)

[Trade union demands regarding Liberty Steel](#)

Future investments in France and the Czech Republic

The US companies Microsoft and Amazon announced investments worth billions in France in May 2024. Microsoft is planning to build a new AI and data centre in Mulhouse (Alsace) and expand existing data centres near Paris and Marseille at a cost of €4 billion. Amazon promised €1.2 billion for its cloud services division and the logistics of its mail order business. According to management consultants EY, France was the European country that attracted the most foreign investors for the fifth year in a row in 2023, far ahead of the UK and Germany. 1,194 projects were announced over the course of the year, compared to just 733 in Germany in the same period. One in five investments in Europe was made in France.

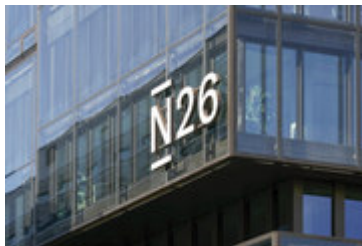


The US semiconductor manufacturer ON Semiconductor wants to expand its Czech production facility in Rožnov near the Slovakian border for €2bn. This is the largest foreign investment in the country's history to date. Not far away, a gigafactory for the production of batteries for electric cars is to be built in the Karviná region on the border with Poland, where the investment volume amounts to €7.9 billion. The name of the investor is not yet known. In June 2023, the US company Intel announced record investments in new production facilities in Germany and Poland (see [report in EWC News 2/2023](#)).

[Report on the investments in France](#)
[Report on the semiconductor factory in the Czech Republic](#)
[Report on the plans for the battery factory in the Czech Republic](#)

6. Legal forms and escaping co-determination

Status proceedings for co-determination on the Supervisory Board



The Berlin-based direct bank N26, founded in 2013, has been preparing its conversion to a European Company (SE) for two years. The aim of the management is to permanently exclude employee representatives from the supervisory board. The start-up now has over 1,500 employees in ten countries, most of them in Germany. To date, there is still no co-determination on the supervisory board, although according to the law in Germany, one third of the seats on the supervisory board must be occupied by works council members if there are 500 or more employees.

In April 2024, the German works councils of N26 applied to the Berlin Regional Court for status proceedings to clarify the composition of the supervisory board. In March 2018, such status proceedings resulted in the delivery service Delivery Hero having to form a supervisory board with full parity representation following the SE conversion (see [report in EWC News 2/2018](#)). Applications for status proceedings are very rare because they require great courage on the part of the works council members. The avoidance of co-determination on the supervisory board is one of the main reasons for the large number of SE conversions in Germany (see [report in EWC News 4/2023](#)). At N26, the management already tried to prevent the establishment of a works council by taking legal action in August 2020 (see [report in EWC News 3/2020](#)).

[Press report on the N26 works council](#)
[Press report on the status proceedings](#)
[Explanation: What are Status Proceedings?](#)
[Further information on the legal form of the SE](#)

European Court of Justice facilitates exodus from co-determination

On 16 May 2024, the German group works council of Olympus failed in its action against the Japanese optics group for evading co-determination. The central question was whether an employee-less "letterbox company" in the legal form of a European Company (SE) must catch up on a negotiation procedure at a later date, if it is brought to life and used as a group holding company with a large workforce. The European Court of Justice rejects this claim because the legislator deliberately refrained from doing so in favour of the stability of the SE.

Olympus founded the employee-less SE in the UK in 2013 and all employee representatives were subsequently removed from the German supervisory board (see [report in EWC News 3/2019](#)). In 2017, the SE was relocated to Germany and now operates as a holding company for subsidiaries with a total of 7,000 employees. A special negotiating body (SNB) was never established. The German group works council filed a lawsuit against this. The Federal Labour Court referred the matter to the European Court of Justice in May 2022 (see [report in EWC News 2/2022](#)). Following the decision from Luxembourg, the Federal Labour Court must make a final decision on the case and examine whether and when there has been an abuse of SE law.



Relevance also for EWC law

The central management of Olympus in Hamburg not only rejects co-determination on the supervisory board, but also the establishment of an SE works council. An SE works council can only be established if there is an SE Employee Participation Agreement or if negotiations between the SNB and central management have failed. In the present case, however, no SNB could be set up when the SE was founded because there was not a single employee in 2013. According to the judges in Luxembourg, such negotiations are no longer required at a later date. However, the establishment of a European works council is also out of the question because the SE legal form is not subject to the EWC Directive. The court ruling from Luxembourg thereby opens up for the first time the possibility for a company to opt out of all forms of cross-border employee involvement.

[Summary of the court ruling](#)

[Full text of the court ruling](#)

[Legal analysis of the ruling](#)

[Assessment by the Hans Böckler Foundation](#)

Co-determination on supervisory boards is increasingly being ignored



On 10 June 2024, the Hans Böckler Foundation published a new study on the extent of co-determination evasion in Germany. Almost 2.5 million employees in 400 large companies were denied full parity co-determination on supervisory boards in 2022 (40% of all large companies), compared to 300,000 fewer three years earlier. More and more companies, especially in facility management, temporary work, retail and healthcare, are avoiding co-determination by using foreign legal forms or simply ignoring applicable laws. In contrast, the acceptance of co-determination is particularly high among banks and insurance companies.

The legal form of a European Company (SE) is popular with family businesses and start-ups, allowing the status quo of co-determination to be frozen. If these companies grow, they no longer have to apply German co-determination rules. This is why Germany is now home to 85% of all European companies in Europe. The car manufacturer Tesla also uses this legal form to keep its supervisory board free of employee representatives (see [report in EWC News 4/2019](#)). The study is based on data analysis by the University of Jena and also examines the co-determination gap of one-third participation in supervisory boards (companies with 500 to 2,000 employees in Germany).

In their coalition agreement in December 2021, the three governing parties agreed to take action against the abusive avoidance of co-determination and to close loopholes in the law (see [report in EWC News 4/2021](#)). Nothing has happened so far. The Hans Böckler Foundation criticises: "If democratic rights only exist on paper, this calls into question the credibility of the rule of law and the social market economy." It has been drawing attention to this trend for years (see [report in EWC News 2/2020](#)) and presented a report in October 2023 on how the SE Employee Participation Act could be amended (see [report in EWC News 4/2023](#)).

[Explanations on the study](#)

[Download the study](#)

7. Newly established European Works Councils

EWC agreement violates applicable law from the outset

On 22 February 2024, an EWC agreement was signed for Latécoère in Toulouse. The aviation company builds doors, fuselage parts and electrical cables for customers such as Airbus and Boeing.

Negotiations between the employee delegation and central management began on 5 December 2023, meaning they were concluded in just two and a half months. Following the French model, the EWC is chaired by the employer: the CEO is assisted by four managing directors. The employee side has 13 delegates: seven from France and two from the Czech Republic. Belgium, Spain, Bulgaria and Germany each have one seat.



The EWC's working possibilities have been restricted in an unprecedented manner. With the exception of the constituent meeting at the beginning of the term of office, plenary meetings are systematically held only as video conferences. In exceptional circumstances, face-to-face meetings are provided for, but the EWC is only competent if more than 150 employees in two countries are affected by site closures or mass redundancies. All other changes that affect the interests of the workforce do not require the involvement of the EWC. It must render its opinion within seven days.

The four members of the EWC board can meet without the employer for two half days each year, but only by video. All meetings with the employer are recorded as an audio file to provide evidence in the event of disputes over the minutes. EWC members' time-off work is limited to 20 hours per year, plus meeting and travelling time if the employer invites them to a meeting. External trade union officers may only attend meetings if the employer has authorised this in advance. Such restrictive regulations are now occurring more frequently, most recently at the Swiss catering service provider Selecta (see [report in EWC News 1/2024](#)).

No training, no experts, no budget

Central management does not pay for training nor for the use of experts in the context of information and consultation procedures. Furthermore, the EWC has no budget of its own, which is not normally the case in France. The absence of experts and a budget means that the EWC cannot pay for legal disputes. This situation is a clear violation of the principle of the rule of law, which cannot be overridden for European works councils as for all other areas of law in a democratic state. As the EWC agreement is fully subject to the 2009 EU Directive, it cannot override Article 10(4) (entitlement to training and payment by central management). This means that the agreement which has been concluded is partially illegal from day one.

[Full Text of the EWC Agreement](#)

British retail company establishes EWC under German law



On 30 April 2024, an EWC agreement was signed in Hamburg for the EG Group, which is owned by a British-Indian billionaire family. Founded in 2001, the company operates petrol stations and convenience shops around the world. It employs 9,000 people in the EU, including 4,000 in Germany. In 2018, the EG Group acquired the German Esso petrol station network. The owners also own the third-largest British supermarket chain Asda, which took over the British and Irish branches of the EG Group in 2023.

As provided for in the draft of the new EU directive, the EWC will hold meetings every six months, one in person and one remotely. The venue of the face-to-face meetings rotates between the countries. The EWC has sufficient time for internal consultation and to render an opinion; there is no deadline for information and consultation procedures. In addition to the catalogue of topics in the EU directive, other areas can be discussed, e.g. political developments at EU level, the situation at individual sites, personnel development or topics from employee surveys. Experts can also be consulted for this purpose. In addition to the four-member steering committee, the EWC can establish additional working groups, e.g. on occupational health and safety, professional qualifications or topics that only affect certain countries (at least two). All other aspects correspond to the subsidiary requirements of the German EWC Act.

Japanese pharma group establishes EWC under Irish law

On 14 May 2024, an EWC agreement was concluded for Astellas Pharma, one of the three largest Japanese pharmaceuticals groups. It covers the countries of the European single market, Switzerland and the United Kingdom. Meetings are held every six months, once in person and once virtually. The five members of the select committee come from five different countries and meet the central management twice a year, once in person.

Extraordinary meetings in exceptional circumstances are always held in person upon request. This is the case if more than 5% of the European workforce is affected by a planned measure or at least a quarter of the workforce in each of two countries. The opinion of the EWC must be rendered within ten working days of the extraordinary meeting. It can request that the opinion and the response from central management be sent not only to the national works councils, but to all affected employees. The EWC must only treat information as confidential if the central management provides justification for this and the duration in writing.



The activities of experts are limited to attending meetings. They are not allowed to carry out independent research or contact management directly. Such a restriction can also be found in the Irish EWC Act (TICEA) and is unlikely to be compatible with the EU Directive. This is one of the reasons for the infringement proceedings that the European Commission is conducting against Ireland (see [report in EWC News 2/2022](#)). On the other hand, the EWC of Astellas Pharma is authorised to appoint a lawyer for legal proceedings, whose services are paid for by central management.

The organisation of training courses is delegated to management and the content must be discussed with the EWC beforehand. This reversal of responsibilities is not common in other countries and is currently under discussion at the Labour Court in Dublin. If an EWC member is dismissed at Astellas Pharma, the select committee must be informed. The agreement can only be terminated after eight years; if renegotiations fail, the subsidiary requirements automatically apply.

8. Revised EWC agreements

Italian carton board manufacturer renews EWC agreement



A revised EWC agreement was signed at Reno de Medici's headquarters in Milan on 26 January 2024. The carton board manufacturer has production sites in Italy, Spain, France, Germany, Sweden and the Netherlands and is owned by a US investment company. The European works council was newly established in 2015 following a merger; there was previously an EWC in a predecessor company from 2003 to 2008. The current EWC represents 2,300 employees and has 15 members, including five from Italy and four from Spain. There is also a trade union coordinator from UNI

Europa, the umbrella organisation of the services sector unions.

The meetings take place once a year in Milan. Representatives of the three Italian trade unions represented in the company always attend as guests. Extraordinary meetings are organised in exceptional circumstances. The five members of the select committee come from different countries and meet the central management twice a year; one of these meetings can be held as a video conference. As one of the six countries is not represented on the select committee, the EWC chairman has the right to visit the employee representatives of this country once a year. The EWC agreement specifies exactly how EWC members are to be appointed for each country. Minutes of meetings are drawn up by management in consultation with the trade union coordinator. Expert costs are limited to €2,000 per year. All other points largely correspond to the subsidiary requirements of the EU Directive.

Europe's largest parcel delivery company increases time-off work allowance

On 5 March 2024, a new EWC agreement was signed at Geopost's headquarters in Issy-les-Moulineaux near Paris. Geopost is a courier express parcel service provider under the umbrella of the French group La Poste. The EWC has 20 members and represents 46,000 employees in 17 EU countries, Switzerland and the United Kingdom. Each country with 100 or more employees has one seat, with France, Germany and the UK each having two seats.



As is customary in France, the CEO of the group chairs the EWC. The employee side elects six delegates from at least three different countries to the EWC board, including the secretary, the deputy secretary and the treasurer. The EWC board meets regularly twice a year. Previously there were two plenary meetings a year, but in future there will only be one. The second plenary meeting will take place without the management as an internal training event. The EWC has a budget of €20,000 per year for this (plus interpreting and travelling expenses). In addition to this budget, the EWC can call in an expert and a trade union coordinator.

If exceptional circumstances arise, such as site closures or mass redundancies, the EWC board can request an extraordinary plenary meeting. The time-off work has been slightly increased to 130 hours for the secretary and 25 hours for ordinary EWC members, in addition to official meeting times. Video conferencing is not mentioned in the EWC agreement. This is the first new version since the EWC was established in May 2008 (see [report in EWC News 3/2008](#)). A Social Responsibility Charter has been in place since May 2013 (see [report in EWC News 3/2013](#)).

[Download the EWC agreement](#)

US business travel management company continues with British delegates



On 6 March 2024, the EWC agreement of American Express Global Business Travel was revised at a meeting in London. It is governed by Dutch law. The EWC was established in March 2015 because the credit card company American Express had spun off its travel division and sold it to financial investors. 14 EWC members represent 7,700 employees in Europe, including 2,100 in the United Kingdom. Important parts of the EWC agreement from March 2019 were retained unchanged (see [report in EWC News 2/2019](#)). The time-off work outside of meetings was increased slightly and is now between 30 and 90 hours per year, depending on the function. All meetings are held in person. Video conferences are only provided for in order to consult with management between meetings or if training cannot take place as part of the annual plenary meeting.

9. The view beyond Europe

Spanish gaming operator with global social standards

On 29 February 2024, the group management of CIRSA signed a global framework agreement with the international umbrella organisation of services unions (UNI) in Barcelona. The group, which is based in Terrassa, an industrial city in Catalonia, operates 434 casinos in nine countries (Spain, Italy, Morocco, Latin America) and manufactures gaming machines.



The agreement recognises CIRSA's commitment to freedom of association and the right to collective bargaining for all 14,000 employees, including teleworkers. To ensure compliance with the principles of this agreement, a monitoring committee is established with representatives from management and UNI, which meets once a year. In the event of disputes, arbitration is provided for in accordance with the International Labour Arbitration and Conciliation Rules (ILAC Rules). The agreement represents a major step forward for CIRSA, as in July 2022 all board members of the internal trade union section in Peru were dismissed in order to prevent the recognition of employee representation.

[Report on the signing](#)

[Report on the events in Peru in July 2022](#)

US online platform company sets industry-wide standards with health charter



On 8 April 2024, Uber reached an agreement with the International Transport Workers' Federation (ITF) in London on a health charter for millions of couriers working for the online platform. Uber provides passenger transport and food delivery services in over 11,000 cities around the world. In February 2022, Uber was the first company in the industry to recognise trade union rights and social protection (see [report in EWC News 2/2022](#)).

The new charter contains twelve principles to expand health and safety aspects that take into account the special situation of couriers, especially those who deliver by bicycle, scooter and motorbike. It improves couriers' access to safety equipment, introduces in-app features for road safety, supports mental health and promotes co-operation with employee representatives.

[Press release announcing the charter](#)

[Download the charter](#)

[Video explaining the charter](#)

USA: Volkswagen gets employee representation, Mercedes does not

From 17 to 19 April 2024, the workforce at the Volkswagen plant in Chattanooga (Tennessee) was able to decide whether to recognise the United Auto Workers (UAW) union as a collective bargaining party. There are no works councils in the USA, so this is the only way to establish employee representation at the plant. 80% of the 4,300 employees took part in the vote, 73% of whom voted in favour. The factory was opened in 2011 and was the only one in the group without union representation in the whole world.



The first attempt failed in February 2014 (see [report in EWC News 1/2014](#)). In December 2015, an employee representative body was successfully installed for a small operating unit (see [report in EWC News 4/2015](#)). The success is historic, as it is the first car factory in the southern states to be unionised since the 1940s. Previously, six Republican governors of southern states, including Tennessee, had opposed the UAW's efforts.

[Press release from the International Trade Union Federation industriALL](#)
[Background report on trade unions in the US automotive industry](#)
[The opinion of the governors](#)

A similar vote took place from 13 to 17 May 2024 at the Mercedes assembly plant in Vance (Alabama) and the nearby Woodstock battery plant. There, 56% of the workforce voted against union recognition. Management had promised pay rises if the plant remained union-free. After the vote, however, it withdrew this promise. The union then petitioned the US National Labour Relations Board not to recognise the results of the vote and to order new elections. In addition, the 5,100 employees faced "an unprecedented, illegal anti-union campaign". The plant management had called in external consultants ("union busters") and deliberately intimidated the workforce. For this reason, the German government has been investigating Mercedes-Benz since 15 May 2023 for violating the German Supply Chain Act.

[Report on the trade union campaign at Mercedes-Benz](#)
[Press report on the result of the vote](#)
[Press report on the refusal of salary increases](#)
[RadioLabour report](#)

10. Campaigns and websites

Website exposes the attacks on works councils



**arbeitsunrecht
in deutschland**

The website "arbeitsunrecht in deutschland" (Workplace injustice in Germany) provides information against union busting. It is run by a non-profit organisation that campaigns for democracy in business and the workplace and promotes the establishment of active works councils. The association was founded in 2014 on the basis of research by the Otto Brenner Foundation, which is closely linked to IG Metall. According to a study from August 2020, 16% of all works council establishments in Germany are actively hindered by the employer (see [report in EWC News 3/2020](#)).

[The website of the association](#)
[The UnionBustingWiki knowledge portal](#)

Labour relations from an international perspective

An academic bulletin ("E-Journal of International and Comparative Labour Studies") provides information every fortnight on the latest developments in the fields of labour law, industrial relations, the labour market, occupational health and safety and social policy from an international perspective. It is freely accessible on the website of ADAPT, a non-profit organisation based in Bergamo (Italy) that promotes research in the field of industrial relations from a comparative and international perspective. To this end, ADAPT maintains a worldwide network of researchers and organises seminars, training programmes and international conferences.



[The Bulletin website](#)
[Download all issues of the Bulletin](#)

Could a robot do my job?



The online tool "Job-Futuromat" can be used to find out how strongly 4,000 professions are affected by automation; how replaceable people are and in which areas of the various professions automation will increase. The Job-Futuromat is based on figures and research results from the Institute for Labour Market and Occupational Research at the Federal Employment Agency in Nuremberg.

[The Job Futuromat](#)

The impact of new technologies on the working world

The Centre of Expertise on the Future of Work in Brussels, a think tank of the German Friedrich Ebert Foundation, established in 2021, launched a blog in February 2024 that offers insights into the impact of new technologies on the working world. It brings together different views from tech-professionals, researchers, trade union representatives and policy makers.



[The website of the competence centre](#)

[The blog about new technologies in the working world](#)

11. New publications

Guidelines for shop-floor and collective bargaining agreements on artificial intelligence



A guide dedicated to the design of AI systems in the workplace was published on 15 March 2024. Algorithmic management systems are embedded in existing company software, of which four examples are analysed: two for sales (Salesforce and ActivTrak) and two for warehouse management (Infor and Blue Yonder). They perform many management functions such as coordinating, directing, evaluating and disciplining people and teams. The guide was developed in a project by the Friedrich Ebert Foundation in cooperation with the European federation of services unions (UNI Europa). At the same time, an empirical study has also been published that analyses the prevalence of AI-related collective bargaining in the service industries in 32 countries. Text modules of collective agreements from several countries can be accessed and compared in a database.

[Background information on the project](#)

[Download the guide](#)

[Empirical study on the dissemination of collective bargaining agreements on AI Database with agreement texts](#)

Forthcoming Event

The next Hamburg Conference on 28 January 2025 will discuss the impact of the EU regulation on artificial intelligence and employee participation.

[Conference programme](#)



Psychological know-how for employee representatives on supervisory boards

The Association of Austrian Trade Union Education (VÖGB) published a guide to psychology on supervisory boards at the end of March 2024. The aim is to understand the logic and dynamics in supervisory board meetings so that employee representatives can represent the interests of the workforce in the best possible way. Which negotiation strategies and techniques are more likely to be successful? What is the significance of rope teams and alliances and how can these relationships be utilised profitably? What are the dos and don'ts on the supervisory board? Efficient questioning is a basic requirement of supervisory board work. One chapter therefore deals with the art of asking

questions. "He who asks, leads!" or "You win or lose because of the words you choose!" Body language, dress code and networking are also covered. The dynamics and ranking positions in groups that are described can also be applied to European works councils.

[Download the guide](#)



Framework conditions for collective bargaining in twenty countries



At the beginning of April 2024, the European federation of services unions (UNI) presented a report analysing collective bargaining in twenty countries. The aim is to support efforts to increase collective bargaining coverage. Many EU countries where less than 80% of the labour force is covered by collective agreements must draw up action plans to reach this level (including Germany). This is required by the Minimum Wage Directive, which must be transposed into national law by November 2024 (see [report in EWC News 4/2022](#)). The report focuses on five aspects with an emphasis on sectoral collective agreements: Trade unions and employers' (organisations) in each of the twenty countries, negotiation processes and right to strike, the legal status of collective agreements and the culture of each country. The challenges are particularly significant in Central and Eastern Europe. Poland brings up the rear with a collective bargaining coverage of only 13%.

[Summary of the report](#)

[Download the full report](#)

[Overview of UNI's efforts to promote sectoral collective agreements](#)

Taking stock of the EU's social dimension

The new edition of the "Benchmarking Working Europe" report, which has analysed the state of social Europe every year since 2001, was published on 8 April 2024. The European Trade Union Institute (ETUI) in Brussels aims to reduce gaps in knowledge about the world of work. This year's report is optimistic that a new impetus for a social Europe has emerged, which has led to important initiatives. For example, the Minimum Wage Directive is described as a game changer, as it includes the promotion of collective bargaining (see [report in EWC News 4/2022](#)). Trade union membership has fallen in all EU countries, with the sole exception of Italy. In 2023, real wages rose the most in Romania and Belgium (+4.5%), but fell the most in the Czech Republic and Hungary (-3.8%). The figures can be found in the chapter on wages and collective bargaining. Another chapter deals with democracy in the workplace, e.g. the handling of confidential information in the European works council.



[Further information on the report](#)

[Download the full report](#)

[Download the chapter on wages and collective bargaining](#)

[Download the chapter on democracy in the workplace](#)

12. The EWC Academy: Examples of our work

Franco-German EWC seminar in Paris

From 25 to 27 March 2024, the EWC Academy held for the fourth time a seminar for employee representatives in Paris. The first day allowed the German participants to familiarise themselves with the French works council and trade union system. On the second day, a Franco-German conference was held (photo), which was attended by members of Club CEE, a dialogue group of EWC members



and managers that meets regularly in Paris. The special highlight on the third day was a visit to a large trade fair for French works councils. Some German participants were interviewed there and gave their impressions of the budget and social activities of French works councils.

[Video recording of the interviews](#)

[Video explaining works council budgets in France](#)

Court hearing in Dublin

The appeal filed by Verizon's European works council against the US telecommunications group was continued at the Labour Court in Dublin over several days of hearings at the end of May and beginning of June 2024 (on the right in the photo is the EWC chairman, on the left the managing director of the EWC Academy). The proceedings began in October 2023. The Court is based in the same building as the first instance, the Workplace Relations Commission (WRC). The WRC had only partially granted the claim in April 2023 (see [report in EWC News 2/2023](#)). This is the first legal dispute ever to be initiated under Irish EWC law. The underlying issues are of fundamental importance and could be referred to the European Court of Justice. The decision of the Austrian Supreme Court from August 2023 also played a role in the hearings (see [report in EWC News 4/2023](#)). The EWC is being advised by the EWC Academy.



EWC training for British IT service providers under Irish law



From 18 to 24 June 2024, the EWC Academy carried out video training for Colt's European works council, split into three separate modules. Colt is based in London and operates fibre optic networks and data centres in Europe with over 5,000 employees. Following the acquisition of the European business of the US group Lumen Technologies, new delegates were elected to the EWC who had no previous experience of EWC work. The EWC agreement was revised in May 2019 and Irish law has applied since then (see [report in EWC News 2/2019](#)).

13. Current seminar schedule

The EWC Academy and its forerunner organisation have been holding conferences and seminars for the members of European works councils, SE works councils and Special Negotiating Bodies since January 2009. So far, 939 employee representatives from 317 companies have taken part including many of them more than once. This represents around 25% of all transnational works council bodies in Europe. In addition, there are numerous in-house events and guest lectures given to other organisations.

[Overview of the forthcoming seminar dates](#)

EWC and SE seminar in Gdansk

From 16 to 18 September 2024, a seminar will be held in Gdansk for the second time. In addition to an introduction to the Polish system of employee representation, there will be an opportunity to discover the recent developments following the change of government. Poland is the most important EU country in Eastern Europe and its economy is tightly connected with Western Europe. For this reason, Polish delegates can be found in more than half of all European works councils (see [report in EWC News 1/2017](#)).



[The seminar programme](#)

Seminar on the renegotiation of EWC agreements in Würzburg



Our legal EWC seminar will take place from 12 to 15 November 2024 at Steinburg castle in Würzburg. The new EWC directive is expected to be adopted in the second half of 2024. As the new standards will not automatically apply in all cases, a large number of EWC agreements will need to be adapted. Special regulations apply and the negotiation period is limited to two years. This seminar will cover the critical points in order to prepare for this.

[The seminar programme](#)

Seminar for works council members in groups based abroad

From 12 to 15 November 2024, a second seminar will be held in parallel at Steinburg castle in Würzburg, which deals with the significance of "external control" by a foreign parent company for co-determination. It is aimed at works council members at all levels and aims to strengthen their ability to act in this special environment. Another focus is the evaluation of IT projects and their organisation through shop-floor agreements.

[The seminar programme](#)

17th Hamburg Conference for European and SE Works Councils

The next Hamburg conference will take place on 27 and 28 January 2025. As always, the latest developments in the EWC and SE landscape, case studies ("best practice") from some companies and current court decisions will be presented. The conference will focus on the ongoing progress of the revision of the EWC directive. The European Commission started the legislative process on 24 January 2024. The ongoing timetable will be finalised after the European Parliament elections. The final conference program will be available after the summer break.



[The preliminary programme of the conference](#)

In-house events

An overview of possible topics for in-house events can be found here:

[Examples of in-house seminars](#)

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