

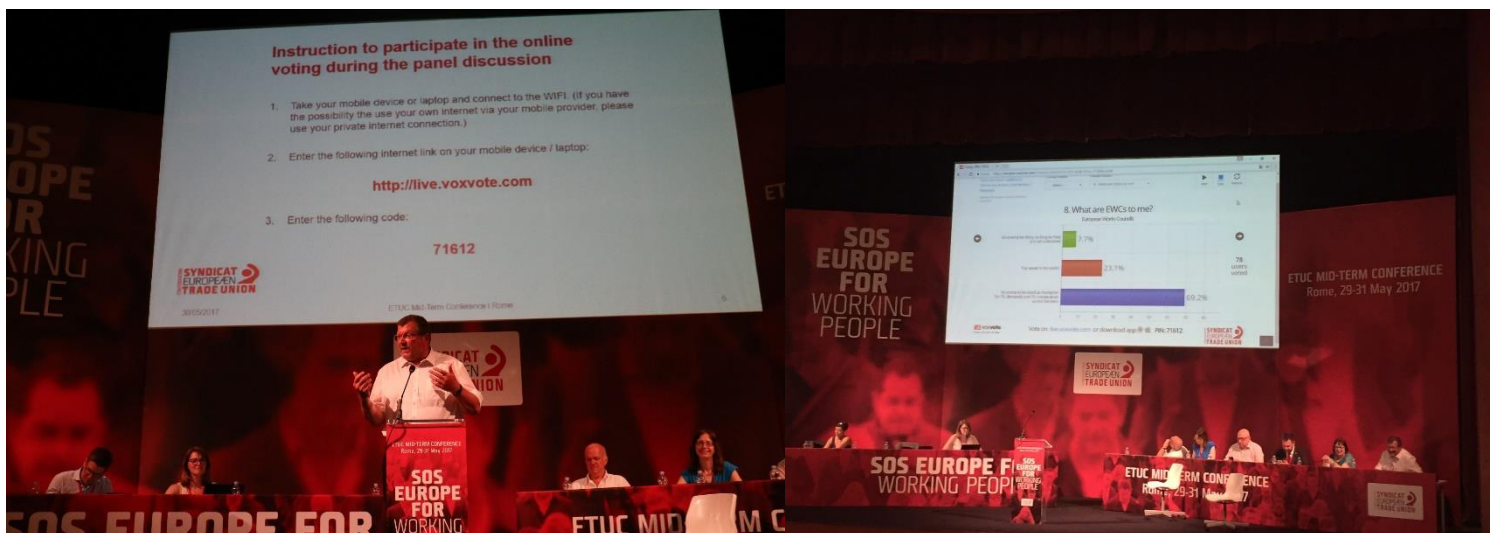
## Democracy at work: the future of workers' participation at the ETUC Mid-term Conference in Rome 30.5.2017

### Introduction

The political guidelines and the election of the political leadership of the ETUC are the responsibility of the ETUC congress, which takes place every four years. After two years, midway between congresses, the ETUC takes the time to look backwards at what has been achieved so far and what must be done in the coming two years, and also to verify with its affiliates that the European trade union movement is on the right track. As the last ETUC congress took place in 2015, 2017 was the time to invite affiliates to the ETUC mid-term conference, which took place in Rome. The mid-term conference is not meant to be a decision-making event, and was therefore organised in different panel sessions, each dedicated to a certain topic. The aim was to create an interactive character and an environment in which the participants were actively involved. The panel session "Democracy at work: the future of workers' participation" was split into four different parts.

- 1) General introduction and provocative thesis on the future of workers participation, by Peter Scherrer (Deputy General Secretary ETUC) and Jan Cremers (former MEP).
- 2) Interactive session, with the opportunity for conference participants to vote anonymously on questions arising from the speech of Jan Cremers and general thoughts on workers' participation.
- 3) Moderated discussion on the podium between Oliver Röthig (General Secretary UNI Europa) and Blandine Landas (CFDT) on the pros and cons of workers' participation.
- 4) Interventions from the participants and final remarks from Peter Scherrer.

The ETUC used an online voting tool to enable the participants to vote anonymously. The questions were introduced by the moderator Aline Hoffmann (ETUI). Every question was open for all participants to respond for a certain time, after which the result was shown immediately on the beamer screen. Among approximately 150 people in the hall, 70 to 80 took part in the online voting and expressed their opinion.



## Keynote speech

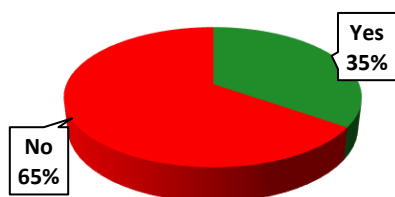
### Jan Cremers (Professor at Tilburg University)

The keynote speech of the panel session was delivered by the former S&D MEP and EFBWW General Secretary Jan Cremers. He pointed out that the priority of the European Union is still economic freedom, which is dominated by monetary policy and competition. Therefore, no substantial social legislation has been passed in recent years, but instead developments in the hard core of the internal market set the limits for the social domain. As workers' demands are largely treated as an administrative burden for business, it has to be recognised that freedom of establishment disempowered workers' voices, as soon as a cross-border dimension appeared in labour relations. In the view of Jan Cremers, the trade union movement must respond to this development by reinforcing workers' participation all over Europe and using the diversity of workers' representation as a strength, not as a weakness. But as the workers' voice cannot be limited to one nation, bridges must be build. Enhanced coordination between the different levels and the different forms of workers' participation is key. Therefore, the European mandate should be strengthened and national officers should be able to act accordingly. In this sense, the key challenges for the future are:

- Co-decision has to stay on the agenda – improved consultation rights are a must.
- Workers' rights have to be integrated and incorporated in the hard core of the acquis.
- Minimum requirements are not enough in countries with a weak tradition of workers' representation.
- Representatives are partners, not a transmission belt for union policy.
- Companies are not a 'bundle of assets'. The ETUC has to take the lead in the development of a vision of sustainable corporate entities that upholds the interests of all stakeholders.

## Most important findings

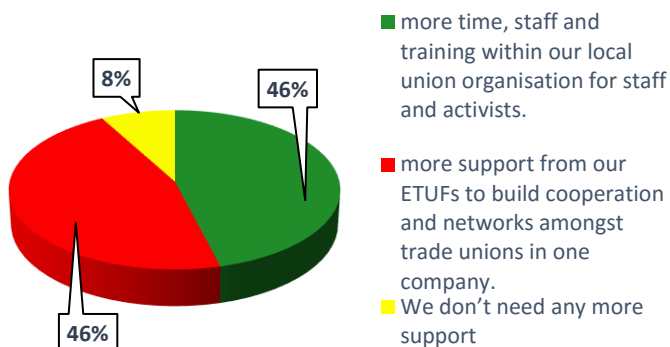
Is local employee representation useless unless it is 100% unionised?



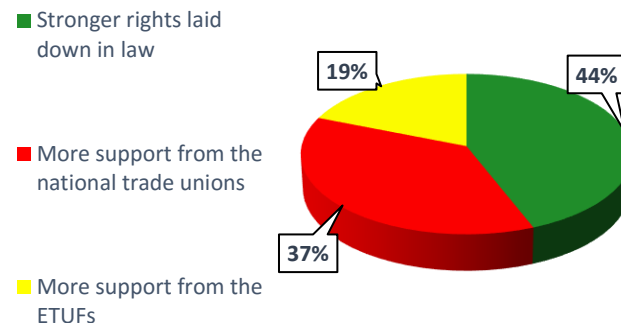
### Description

The answer to the question of whether local employee representation is useless unless it is 100% unionised might be surprising, but nevertheless it is clear. A huge majority sees an added value in employee representation – even if it is not unionised. Therefore, our common aim should be to strengthen employee representation at the local level. Employee representation is often the first step to active trade union structures at local company level.

To better support our members in complex multinational companies, we would need



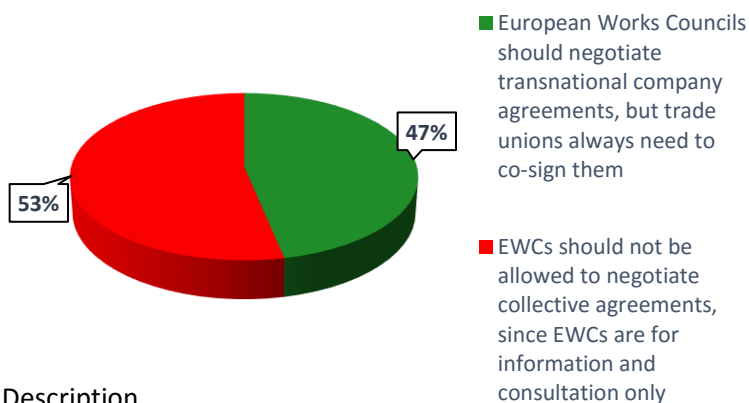
What would most help strengthen the role of the EWCs?



Description

The aim of these two questions was to find out if and what kind of support and help is needed, in the view of the participants, to strengthen workers' interests in multinational companies. The results are clear: In both cases – in multinational companies in general and to strengthen EWCs – the ETUC member organisations, in particular the ETUFs, should intensify their actions.

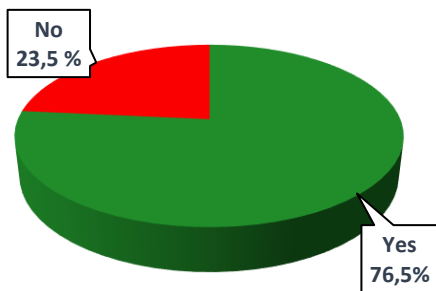
EWC & transnational company agreements (TCA)/ European framework agreements



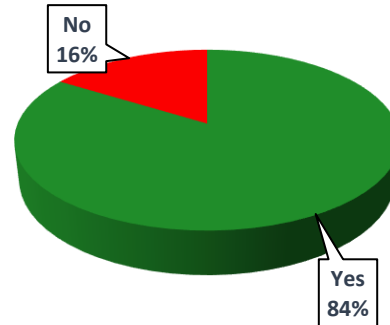
Description

The very close result on the question of whether European Works Councils should negotiate transnational company agreements shows the disagreement in the European trade union movement. Whereas a slight majority opposes EWCs negotiating transnational company agreements, 47% approve of negotiations so long as the trade union co-signs the agreement. This result reflects also a desire to open a debate on this point. The European trade union movement will have to launch this discussion if it does not want to be caught out by the reality.

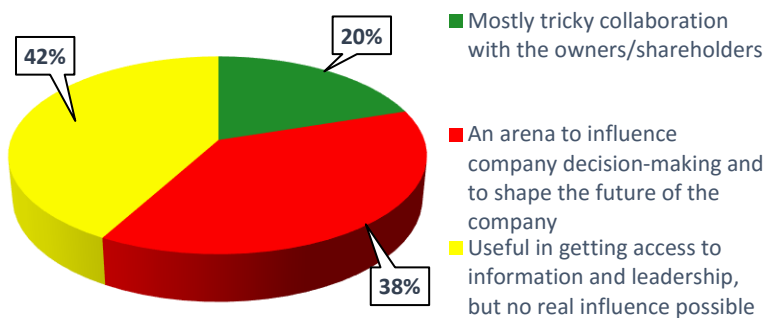
Unions should do more to demand and expand employee representation on boards ...  
... at national level.



... at European level.



Workers' board-level representation is



Description

The questions of whether unions should do more to demand and expand employee representation on boards was answered very clearly on both national and European level. The participants were even slightly more in favour of it at European level. The answers indicate that the ETUC position, which was adopted by the Executive Committee in December 2016 (<http://www.etuc.org/sites/www.etuc.org/files/document/files/en-position-wblr.pdf>), was a step in the right direction. Furthermore, 80% of the participants saw workers' board-level representation as a useful tool to get information or to influence decision-making. Now it is up to the trade union movement to work hard for this. Companies with workers' board-level representation (WBLR) perform better not only economically but also in the social and environmental spheres than companies without workers' participation on the board. More democracy at the workplace is what workers and society want.

### **Panel discussion and voices from the floor**

The experts on the panel, Oliver Röthig and Blandine Landas, had the first opportunity to respond to the online survey. Both colleagues have their own perspective on cross-border workers' participation:

Oliver Röthig's views are shaped by his organisation's strong commitment to organising union action around multinationals, while Blandine Landas draws on decades of experience of collective bargaining within the metal sector. Both have extensive experience of negotiating and working with EWCs.

When asked which of the results of the live survey had surprised them the most, both Oliver Röthig and Blandine Landas pointed to the widespread view that EWCs should be able to negotiate cross-border collective agreements at company level. They both clearly put themselves on the side of the argument that insists that EWCs are competent for information and consultation alone, and only trade unions can negotiate agreements at company level. They explained that given the diversity of industrial relations systems across the EU, negotiations must remain the exclusive prerogative of the trade unions. Since EWCs are not trade union bodies, they cannot possibly be mandated to conduct collective bargaining.

At the same time, both Blandine Landas and Oliver Röthig highlighted the essential role that EWCs play in helping to coordinate trade union responses to the challenges of globalisation within companies. On this point, they agreed with the audience's responses to the survey, particularly about the usefulness of works councils as a vehicle for trade union strategy inside companies. When multinational companies increasingly take decisions at a level far removed from the local workplace, EWCs provide an essential platform for employee representatives to insist on receiving appropriate information and being consulted. They get to see the big picture of how a strategy or a measure affects the workforce, instead of just seeing their local situation. This information and access is of strategic importance at the local company level.

In the following interventions from participants it was pointed out that information and consultation rights are not just important in private sector companies, but also in public sector organisations as well. While there may not be any multinationals in the public sector, there are some equally complex organisations. The workers in these sectors must have the same rights as workers in the private sector to be involved in workers' participation at company level. This is why the social dialogue negotiations currently being conducted in the public sector to secure information and consultation rights for workers in the sector are so important. It is expected that this agreement will form the basis for EU legislation on workers' participation in the public sector.

Furthermore, the need for industrial democracy and the need for workers on boards was emphasised. The fact that the average pay of CEOs is over €5 million whereas many workers face pay cuts was attacked as evidence of social inequalities in our society. In the past decade, this inequality has created a divided society in Europe. A key factor in overcoming this division is the participation of workers in the economy in general, and in companies in particular. Finally, there was a strong plea in favour of the stakeholder model. To sum up: an inclusive approach was recommended instead of 'either/or'. All the tools in the box have to be used.



### Conclusion & follow up

The panel session has shown the great importance of workers' participation for the ETUC member organisations and the ETUC itself. It was clear at once that more effort is needed in the field of workers' participation. This should be seen as a challenge for the ETUC member organisations, including the ETUFs and the ETUC itself.

The trade union movement has to be able to speak on the topic of transnational company agreements. European Works Councils and transnational company agreements (TCA) should not be seen as two different and separate fields of action, instead they are part of the same picture. If EWCs negotiate TCAs it has to be sure that they do this together with Trade Unions with the aim of ensuring consistent and good working conditions in multinational European companies. The examples of areas of action are well known and wide-ranging: health and safety, use of private data, assessment of performance, etc.

The issue of workers on boards will also remain on the agenda of the ETUC, and the ETUC will foster work in this field. Therefore, the ETUC will make efforts to ensure that all legislative initiatives of the European institutions take account of workers' representation and participation (for example the insolvency legislative initiative and the upcoming company mobility package which is scheduled for late autumn 2017). But the ETUC cannot achieve widespread results all over Europe on its own. The active involvement and own initiatives by every member organisation are necessary to make sure democracy at work becomes a reality.

To follow up these issues the ETUC invites affiliates to the annual ETUC EWC Conference in Brussels, which will take place on 17/18.10.2017.

Furthermore, the ETUC is running a project on digitalisation and workers' participation called "Workers Participation: The Key to Fair Digitalisation", with four different cluster seminars and a final conference. The next cluster seminar will take place on 19.9.2017 in Tallinn, Estonia.

The ETUC has also applied for a new project on workers' board-level representation, which is due to start in December 2017, and finally, of course, the ETUC will follow up the debate on transnational company agreements.



**Annex:**

Overview of all voting results

**What is the contribution of local employee representation?**

An important vehicle for union presence in the workplace



A rival to the local union organisation



Neither a help nor a rival; they're just there



**Local employee representation is useless unless it is 100% unionised**

Yes



No



**My organisation invests a lot in supporting local employee representatives**

Yes



No



**Multinational companies**

*What role do they play for you and your organisations?*

**Multinational companies are**

a very important challenge for our membership, many of our members work for MNCs.



not very important issue, marginal for my local union organisation & membership.



not more or less important than smaller, local or national companies for our membership.



**To better support our members in complex multinational companies, we would need**

more time, staff and training within our local union organisation for staff and activists.



more support from our ETUFs to build cooperation and networks amongst trade unions in one company.



We don't need any more support.



**Over all, what kind of employer is most important in shaping our union activities and strategies?**

Small local employer



Big multinational employer



## European Works Councils

*Reminder of what they are: negotiated on basis of EU Directive, since 1996, about 1000 in place.*

### What are EWCs to me?

An enemy territory as long as they are not unionised



Too weak to be useful



An arena to be used as multiplier for TU demands and TU cooperation across borders



### What role should EWCs play vis-à-vis trade unions?

EWCs are equal partners working closely together



EWCs should be subject to union command and strategy



EWCs and trade unions should be completely separate



### European Works Councils - does your organisation do enough to strengthen EWCs?

Yes



No



### What would most help strengthen the role of the EWCs?

Stronger rights laid down in law



More support from the national trade unions



More support from the ETUFs



## Who should negotiate at the transnational company level?

### EWC & transnational company agreements (TCA)/ European framework agreements

European Works Councils should negotiate transnational company agreements, but trade unions always need to co-sign them



EWCs should not be allowed to negotiate collective agreements, since EWCs are for information and consultation only



### Do we need an (optional) EU legal framework for such cross-border agreements at the company level?

Yes



No





### Workers' board-level representation

*Reminder of what it is: supervisory or administrative boards, exists in 19 EU MS, though more common in some countries, fairly rare in others.*

#### Workers' board-level representation is

Mostly tricky collaboration with the owners/shareholders



An arena to influence company decision-making and to shape the future of the company



Useful in getting access to information and leadership, but no real influence possible



#### Unions should do more to demand and expand employee representation on boards at national level?

Yes



No



#### at European level?

Yes



No

