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It is, in my view, more necessary now than ever before to put the fight for more democracy at work on the political agenda. When we are talking about European values, here is a chance to show that Europe and MEPs are serious- workers are not just objects (and often victims) of global market economy rules. It is time for Europe to show a more democratic face to the workers!”

Peter Scherrer, Deputy General Secretary

#DEMOCRACY
AT WORK

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CONFEDERATION SYNDICAT EUROPEEN TRADE UNION

Freedom, democracy and social justice are core values of the European Union. Democracy is important; not only on the political but also on the economic level. **More Democracy at Work is part of a broader approach for a more Social Europe which is urgently needed.**

Workers represent an integral part of companies and the public sector, offering their time, energy and skills on a daily basis. Their voice and influence are however limited and are in fact shrinking. As voters can influence the organisation of their communities, workers should have a greater say regarding the organisation and the choices of their companies. Public employees should be effectively involved as well in the decision-making process on how public services are organised and delivered.

The economic crisis has shown the severe consequences of an economic model that is not based on democracy and social justice. Excessive executive salaries, large financial gains for shareholders, short-term strategies, reduction of costs at expense of workers and working conditions, quality, sustainability and innovation: these are some of the factors which have contributed to the financial and economic crisis. **However, the European Union has not responded with the necessary change of approach and policy.** On the contrary, austerity has been accompanied by a complete standstill on the issues of decision-making in companies and the public sector and of democracy at work.

Today, corporations and multinationals have often recovered from the crisis, but workers haven't seen a pay rise in years and their influence is stagnating. In fact, profits have grown at the expense of wages since the 1990s. At the same time, workers' involvement and influence in the workplace is still too limited and often shrinking, due to uncontrolled and unsupervised restructuring and delocalisation processes, unbalanced and insufficient regulations and ineffective sanctions.

The issue of democracy at work isn't high on the political agenda despite its potential to contribute to a more social, inclusive and fair Europe. The need to empower workers in private companies and in public services to express their views, influence decisions

and enforce their rights collectively is all too often ignored in current debates.

Workers' participation should however represent a key question in the 21st century. Stronger involvement of workers within their organisations can directly improve working conditions, levels of pay, labour rights, social and economic inclusion and sustainability. It also contributes to a more balanced and effective corporate governance and to higher quality for public services. Data suggests that a stronger workers' voice is associated with lower executive pay, stronger economic performance for companies and better employment levels.

Democracy at work is implemented through essential rights: freedom of association, the right to collective action and collective bargaining, workers' information, consultation and participation... We need actions at European level to safeguard and strengthen these instruments!

The upcoming European elections will be decisive for a change in approach. **We need to put More Democracy at Work at the centre of the debate and ask the candidates** to support the efforts and objectives of the European trade union movement on this subject.

We want workers' representatives to be informed and consulted, to have meaningful and timely discussions with management at all relevant levels and to be actively involved in the decision-making process of their companies or organisations before any important decisions are made!

Specifically, the Directive on European Works Councils should be revised and strengthened and a new framework for workers' information, consultation and participation must be defined. Effective rules on cross-border restructuring should be introduced and workers' representatives should have the right to sit on the board of the companies which move from one Member State to another. Letterbox companies need to be banned and corporate governance rules reformed in order to guarantee an economic model which is not based on shareholders' decisions and profits but on sustainability and the involvement of all stakeholders.

a) Revision of the European Works Council Directive (Directive 2009/38/EC of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employee). In 2017, the ETUC put forward 10 demands for the revision of the Directive.¹ In 2018 the demand for a European EWC Ombudsperson was added². Inter alia, the ETUC calls for:

- effective and dissuasive sanctions and ensuring access to justice;
- more efficient coordination between local, national and European levels (including through the necessary resources and rights);
- rules for negotiations with the Special Negotiating Bodies need to be improved and clarified;
- abuse of confidentiality clauses must be prevented and subsidiary requirements strengthened;
- the role of "representatives of competent, recognised Community-level trade union organisations" needs to be clarified and strengthened and the concept of "transnational character of a matter" incorporated into the main body of the Directive;
- a level playing field must be introduced by applying all provisions laid out in the Directive to all agreements [including the so-called voluntary "Article 13" agreements], either automatically or by renegotiation.

b) A new framework for workers' information, consultation and participation. Since 2016, the ETUC has been asking for a new EU framework Directive for workers' information, consultation and board-level representation³. The Directive should leave as much space as possible to negotiations at transnational company level with regard to enabling the parties to design a workers' information, consultation and board-level representation procedure that fits their needs and tradition best. Key principles should thus be defined as binding standards, and ambitious subsidiary requirements should be designed. These requirements would apply as fallback provision in the absence of an agreement.

¹ ETUC position paper: For a modern European Works Councils (EWC) Directive in the Digital Era <https://www.etuc.org/documents/etuc-position-paper-for-modern-ewc-directive-digital-era#>

² ETUC Resolution adopted at the Executive Committee Meeting of 7- 8 March 2018: Strategy for more democracy at work: <https://www.etuc.org/documents/etuc-resolution-strategy-more-democracy-work-0#>

³ ETUC Position paper adopted at the extraordinary ETUC Executive Committee on 13 April 2016 in The Hague and the ETUC Executive Committee on 9 June 2016 in Brussels: Orientation for a new EU framework on information, consultation and board-level representation rights <https://www.etuc.org/documents/etuc-position-paper-orientation-new-eu-framework-information-consultation-and-board-level#>