

MORE DEMOCRACY AT WORK!

Strengthen Workers' Rights
in Company Law



**ETUC rally (at Esplanade) in front of the European
Parliament in Brussels on 10 October 04:30-05:30pm**

CONFEDERATION
**SYNDICAT
EUROPÉEN
TRADE UNION**



MORE DEMOCRACY AT WORK!

Freedom, democracy and social justice are the core values of Europe. All three values are interwoven. Democracy is important, politically but also economically. Workers' participation rights therefore have been for a long time on the agenda of the trade unions.

In 1994, the **European Works Councils** Directive agreed upon minimum standards for workers to be informed and consulted on the running of the business. A small reform was achieved in 2009, but even today more than 40% of EWCs have only voluntary agreements and often do not function according to the Directive. The ETUC asks for an immediate revision. The Commission is not responding.

Workers' participation is a key question of the 21st century. It is about corporate governance. It was the old form of corporate governance, based on the maximisation of shareholder value, which led to the financial crisis of 2007/8 which is still having disastrous effects – particularly in Southern Europe where unemployment is far too high. We need a new sustainable corporate governance based on stakeholder involvement.

Whereas until the crisis Europe tended towards convergence, now we see divergence as a major trend. The political consequences are more than worrying and Brexit is only the tip of the iceberg.

Industrial workers often feel they are victims of globalisation and some turn to populist parties who promise to fix the problems. The solutions offered by populists will in the end turn against workers. What is urgently needed is "More Democracy at Work!" Workers must have a say on the company lifecycle. A stakeholder approach involving all key players is needed. That makes companies sustainable.

What is missing at European level are minimum standards for **workers' representation in company boardrooms**. This participation should be ensured in all companies using European company law tools – in other words: company mergers, restructurings,

divisions. Unfortunately, in its **company law package** the European Commission missed the opportunity to deliver! The Commission delivers for business, facilitating company mobility throughout Europe, transfer of seats, mergers and division of companies in the single market. The Commission did not respond sufficiently to ETUC's demands and has submitted an unbalanced package which needs a lot of amendment.

Under the banner of digitalisation the European Commission wants to facilitate online registration of companies without establishing minimum standards. Fraudulent companies are free to create more letterbox companies, to circumvent taxation, social security and workers' participation. It is important that the European Parliament ensures a fair deal!

More democracy at work can and must be linked to the narrative of those 'left behind'. Who would put faith in a society where the rights of companies and business, employers and administrations are guaranteed while working people face permanent insecurity about their legal rights? When right-wing populism and extremism are on the rise, democracy is on the decline. There is a link between democracy at work and the political risk to the development of large groups of people who are 'left behind' by economic growth and welfare distribution. Democracy at work must be high on the European political agenda: its potential to contribute to an urgently needed strengthening of a visible and tangible Social Europe must be used.

The ETUC asks the European Parliament to substantially improve the package! The ETUC asks for a horizontal EU framework on information, consultation and board-level representation rights to be adopted in parallel.

Next year are the European elections and it is important that the European Parliament achieves a step towards more democracy at work!

The ETUC has launched a European Appeal as an encouragement to act and to support 'More Democracy at Work'.

Let us take a significant step towards 'More Democracy at Work' NOW!