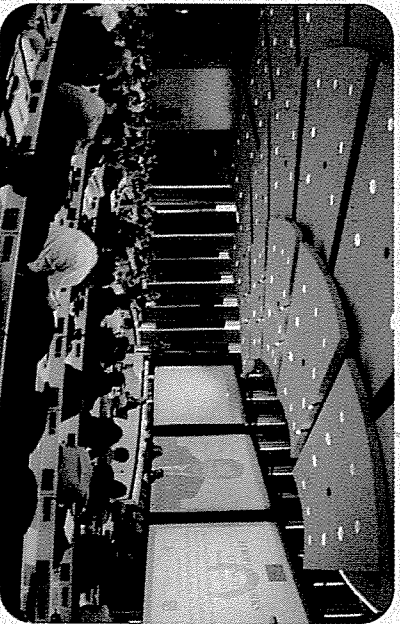
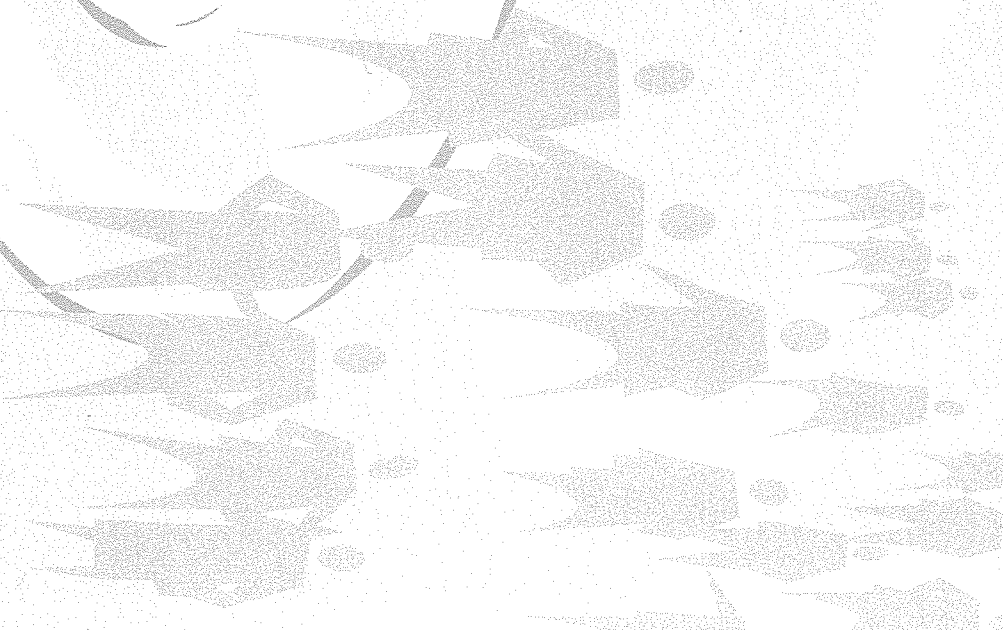
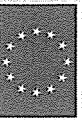


European Works Councils

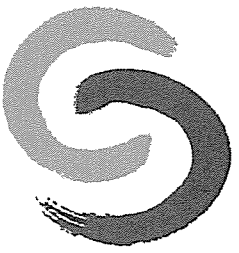
Practices and development



Brussels • 28, 29 & 30 / 04 / 1999



INTRODUCTION

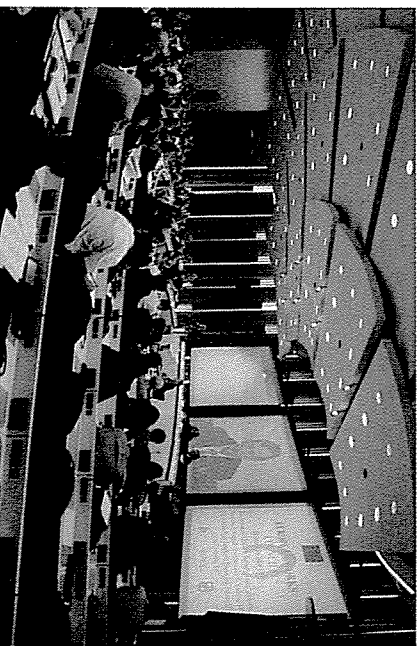


Almost five years have gone by since the adoption of the directive on European Works Councils by the Council of Ministers of the European Union, on 22 September 1994. Today, over 500 companies have established a European body for workers' information and consultation, whether voluntarily or by applying the directive. Negotiations are currently in progress in numerous companies.

By organising an event of this stature, our wish has been to bring together the players directly concerned by the practical implementation of the directive in companies, so that for the first time on a joint basis, they have the opportunity to share their experiences and exchange points of view, thus providing us with a clearer overview of the real situation in this domaine and allowing a more accurate evaluation of the challenges which accompany the application of the directive.

Over 600 people responded to this appeal, of which the great majority represented companies, from both management and staff sides alike. The strength and quality of the contributions, notably within the framework of the workshops, demonstrated the richness of the debates and the diversity of the situations at company level. They also showed the commitment of company management and staff representatives to find, together, the best ways of developing these bodies, according to their specific needs and the situation of the company or group.

This conference represents a clear success for us. It has lived up to our expectations. This brochure alone cannot do justice to the quality of the debates. However, it does give an accurate overview of them. We would particularly like to thank the speakers for the quality of their contributions. We would also like to express our enormous gratitude to the European Commission, without the support of which this event could not have taken place.



For ETUC

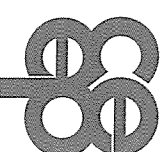
Emilio Gabaglio
General Secretary

For I'UNICE

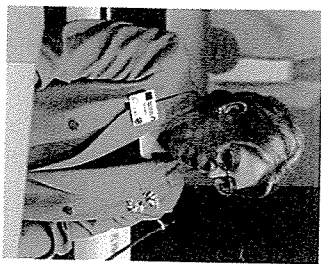
Dirk Hudig
General Secretary

For CEEP

Jytte Fredensborg
General Secretary



OPENING OF THE CONFERENCE



Jytte Fredensborg • General Secretary of the European Centre of Enterprises with Public Participation (CEEP)

First of all, I would like to welcome all the participants gathered here today and tell you how pleased we are to have collaborated on the organisation of this European Works Councils conference.

Following this meeting, I think that we will see that the directive, with its clear objectives on pan-European information and consultation, has already had a considerable impact on the development of industrial relations within the Union and I am delighted that we will have first pick of this information.

The role of the social partners has certainly not always been an easy one: working within a transnational context, it involves holding meetings and dealing with elements and data from countries with different cultures, practices and situations.

In companies, European culture is already present at the strategic level.

What remains to be examined is the impact on the company in general of the communication between employer and employee within the context of the directive, once transposed at national level: this is what we will be looking at over the course of the next few days when we discuss practices and developments.

In all likelihood, the directive has allowed workers and management alike in transnational companies to get to know each other, to lay down the foundations of a European culture, and to learn to overcome the obstacles linked to their cultural differences, because within a single company, it is vital to harmonise practices between countries.

Apart from this, the second observation that I would make is that experience has shown it to be useless and absurd to be frightened of workers' information and consultation: a company's best strategy is to inform workers in order to encourage them to fit in with the company model, in the knowledge that in return, management may also learn a lot from consultation, and so influence the company strategy and adapt its model if necessary.

Information and consultation should thus be seen as a form of mutual enrichment between the employer and the employee, as a learning process rather than a confrontation.

Naturally, I see this conference as the follow-up to the seminar on European Works Councils which CEEP held together with our Italian members in March 1995, on the eve of the entering into force of the directive, in 1996.

Companies affiliated to CEEP are only starting out in the establishment of European Works Councils:

this is largely down to the fact that because of their structure, commercial companies had until now generally constituted their consultation bodies at national level instead.

However, the member companies of CEEP have always shown great interest in workers' information and consultation, as it encourages the development of social dialogue within the company.

This conference will help to gauge the impact and difficulties experienced in the application of the directive, a directive which has acted as training for a European culture, obliging the social partners to get to know each other and to confront their respective points of view. The willingness to succeed in this is evidence of the existence of a " Social Europe ".

Before the directive entered into force, it was already possible for social partners to conclude agreements, depending on the wishes of the parties involved - it was up to them to choose from the numerous solutions available to them.

CEEP, whose interest in the aim of this meeting is undisputable, given the presence here of entities, and notably companies belonging to the public service for whom the " European calling " is unlikely to diminish, has accumulated among other things a wealth of experience in the subject via the companies belonging to its various national sections. It is precisely this type of exchange and further examination of experiences which can provide precious elements for evaluation purposes.



Jean Lapeyre • Deputy General Secretary of the European Trade Union Confederation (ETUC)

The European Works Councils story is a long and difficult one: it's a love story for the ETUC and a horror story for UNICE and the employers. In the end, as in all good stories, love conquered all!

But it has taken 25 years to overcome all the difficulties, from the draft Yredeling directive right up to the present directive. We have had to tackle the opposition of employers and particularly the American multi-nationals, which have for years managed to block all progress on this subject.

You will recall UNICE's 9 points of opposition to legislation. I will spare you the actual reading-out of these 9 points, which were published in a communiqué of 11 May 1993, but I can assure you that its contents made chilling reading. For UNICE, the end of the world was nigh and Europe would have been no more than a field of industrial ruins if this directive were ever adopted. Thankfully, everything went fine, as your presence and experiences testify.

Information and consultation for workers and workers' representatives is a fundamental right: the company must also be a democratic place, with workers' participation. The current proposal on information and consultation of workers and their representatives in all companies with over 50 employees should rapidly extend this right. It is an element of the European social and economic development model.

We are within the framework of a global approach which is needed because as Maurice Allais, the

Nobel Prize winning economist so rightly said, " Economics is only one part of a whole: every concrete economic decision not only has a quantitative aspect, but it also shows a human aspect and originates from a historical context".

Information/consultation : this is a requirement in the current stage of Community integration. Economic and monetary union will certainly accentuate or accelerate the redeployment of economic activities in the European area, but will also provide new opportunities. Workers have already paid dearly enough for the right to demand this prior right to information, consultation and negotiation on restructuring concerning their jobs and working conditions.

In the case of Hoover, we suffered the disgraceful blackmail by the management of an American multi-national, putting Scottish workers against French workers, raising the stakes between the state governments of the two countries and finally imposing negotiations which our Scottish friends described as being like " having a shotgun to our heads". Hoover disgusted not only the trade unions but also political leaders and allowed the initiative on the right to information and consultation to be relaunched in Europe-based multi-national firms.

In the Vilvoord case, the situation was different because of the existence of a European Works Council. There was thus better trade union coordination and stronger individual rallying between France and Belgium. The outcome is not the one we would have liked but it made things go forward, with the condemnation of Renault's General Management on four counts and the identification of the deficiencies and weaknesses of this company's EWC. Levi Strauss showed that you can comply with the law without actually keeping to the spirit of the law. It is therefore vital to reinforce the rules, particularly to keep on top of industrial and technological restructuring within the European area.

The Gyllenhammar group, established by the European Council after Vilvoord, which submitted its report to the Vienna Council, clearly shows the need to be able to anticipate, to practice forward-looking management by developing prior information and consultation for workers ; consultation which should not only mention the social repercussions of the restructuring process or innovation in the area of technology and work organisation, but also the major areas of industrial policy and employment.

Pioneers such as Danone or Thomson understood that EWCs should not be considered in terms of cost or nuisance factors which could incite the unions, but rather as an added value, like an additional benefit for the company. In the end, for a modest expense compared with the cost of external consultants, the management of multi-national companies can take advantage of the best possible experts - the workers themselves.

We do not believe that EWCs will put an end to mergers or restructuring, but they will allow those necessary mergers or restructurations to be managed in a way which is socially acceptable. EWCs, far from being a hindrance to competitiveness, are actually something of an advantage when discussing possible improvements for work organisation, increasing productivity and job creation, particularly by means of reducing and re-organising working time, in order to bring in innovations based on social dialogue and negotiation. These are strategic elements which a company requires in order to function, in the medium- and long-term.

We are in favour of diversity but not the absence of rights. We have never wanted to impose a single centralised model. Diversity is precious when it is not used as a divergence, nor an alibi for doing nothing.

As much as we would have liked to have the maximum scope for negotiation for those directly concerned, there could be no question of complacency. It was necessary to create an obligation to achieve a result by way of a dynamic European framework.

We tried to launch the first European negotiation, but this was impossible - there was too much history and litigation behind it. But a positive influence on the content of the legislation was achieved by means of pre-negotiation. Apart from this, we should applaud the goodwill and determination of Jacques Delors and Commissioner Flynn for concluding this directive. Its " interactive " nature makes it an example of intelligent legislation : a " revolutionary " approach or one where a " subsidiarity " concept has been perfectly installed.

We have already had to learn to deal with situations of a multi-cultural nature as far as social relations are concerned, which sometimes involve the radical reconsideration of certain habits and practices on the part of company directors and their hierarchies in the management of human resources, and by trade unionists too. It was necessary to establish new relationships of trust which no text could impose. Information and consultation could gradually lead to an opportunity for negotiation within multi-national groups.

EWCs nevertheless remain an experimental instrument which has to evolve on the basis of our experiences. Time needs to be allowed for EWCs to develop and to identify the improvements and adjustments which are necessary, as it is certainly preferable to aim for an improvement of the existing directive. But this is another story - which we will come back to during the conference. The programme of this conference must allow just this - the exchange of a maximum of ideas and experiences on EWCs in their current state, which is why we have devoted a large part of it to those directly involved.

EWCs are a success which demonstrates that the employers' fears were unfounded and we are delighted with this success. To be honest, I have not yet met a boss who is unhappy with the existence of such a dialogue structure in his company. There are also good results in voluntary EWCs, which sometimes go beyond the requirements of the directive. I would tend to believe that in the exhilaration arising from new changes, the employers have actually become expert EWC enthusiasts; we can only be pleased, with the peace of mind of those who have patiently and stubbornly believed in the soundness of this demand right from the outset. It is a fantastic instrument for European awareness ; with over 500 EWCs and an average of 30 participants, that makes at least 15.000 ambassadors of Social Europe. However, this also demonstrates a great need for training for members of these EWCs, who must be given the necessary expertise.

We should also place these EWCs within the enlargement perspective ; over a third of these agreements already include this dimension and the ETUC would like to standardise this situation. We should also put ourselves into a perspective of globalising EWCs. Some of our European Industry Federations, such as the textile workers, are already on this track, through the Codes of Good Practice.

To conclude, I would like to say that the most important thing in this conference is you, your wealth of experiences and the precious sharing of these as a result.

Baron Georges JACOBS • President of the Union of Industry and Employers Confederation of Europe (UNICE)



Almost five years after adoption of the directive, more than 600 undertakings have put in place a European works council or some other mechanism for informing and consulting their employees at EU level. How and under what conditions is this process developing at company level? What are the constraints and problems that the partners must face in these companies? What practical solutions have they found to address them? What is their overall assessment of this process?

Relatively little information has filtered up from the ground about these questions. However, it is particularly important for us all to be aware of this reality. All the more so since it has to be noted, with regret, that only the most difficult and most problematic cases seem to attract media attention, thereby running the risk of giving a dangerously distorted picture of this reality.

Hence the interest of this conference which, for the first time at this level, brings together all the players concerned, company directors, worker representatives, organisations representing the social partners and, of course, the public authorities, in order to look more closely at this experiment.

The first assessment of implementation of this process that we have been able to make at UNICE, as recounted to us by company managers, can be summarised by the following considerations.

Reconciling a statutory obligation and pragmatism

- The main goal for companies: reconciling a statutory obligation (which they did not want, at least not in this form) with their situation and their individual constraints.
- This explains the large number of companies which chose pre-directive agreements, regarded as a pragmatic route offering them great flexibility for establishing the most appropriate mechanisms for crossborder information and consultation.

First assessment broadly positive

- Company managers have adopted an open approach, characterised by a spirit of cooperation, in order to define, in liaison with their partners, mechanisms for exchanges of views and dialogue geared to meeting their specific needs.
- Questioned about their general assessment: of the information and consultation process put in place, a very large number of companies are generally positive. Among those which have already had occasion to tackle difficult questions, notably in the context of restructuring, a good number have pointed out that the European works council has played a positive role.
- Others place emphasis on the innovative aspect of this process which has involved inventiveness and efforts at communication on both sides. They also stress the need to seek out the best route for possible development of information and consultation mechanisms in the undertaking, which meets the needs and reciprocal obligations of management and staff representatives.
- All believe that experience gained within the organisation alone can allow the role and operation of the European works council to move in the right direction.

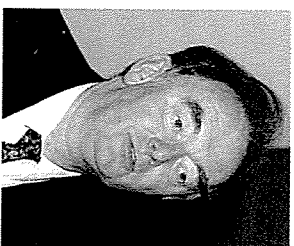
Major challenges during creation and in the early days of operation

A fair number of companies recall the difficulties they encountered, or still face, during creation of their European works council and in the early days of operation. They revolve around the following points:

- Integration of a central European works council in a management structure which is not necessarily centralised.
- Incorporation of perspectives largely guided by national and local considerations in a broader perspective at EU level.
- Need to avoid encumbering or duplicating national and local mechanisms for informing and consulting personnel.
- Requirement for good communication at all levels, by both management and employee representatives.

Looking to the future

- European works councils, their development, their role and their operation are above all an internal matter for the undertaking or group. Any attempt to settle problems that arise by imposing outside solutions is likely to hamper their operation.
- We must be wary of hasty generalisations. The great diversity of situations in which companies find themselves prompts a range of differentiated approaches to information and consultation. A solution which has proved useful in one company may prove unworkable in another case.
- Similarly, the route to information and consultation currently preferred, i.e. the European works council, may turn out to be less well suited to the many companies covered by the directive but where no initiative has yet been taken, either by management or by employee representatives.
- Lastly, an initiative like today's meets a need felt by many companies: that of exchanging practical experience. It is one way of providing companies with the support they may need for putting in place and running their mechanisms for informing and consulting employees at European level.



Padraig Flynn • Member of the European Commission

Ladies and Gentlemen,

The European Works Council Directive is an important part of the equation of modernising the world of work. What was controversial in 1994 is now routine. The Directive is based on the principle that the social partners should take the lead in modernising the workplace and the workforce.

This has been proven as the right approach. More than 500 agreements have been reached over the last four years, giving workers' representatives in the EU's biggest companies the opportunity (and the formal right) to engage with co-workers from other countries in a process of cross-border information and consultation.

The social partners must take much of the credit for this.

They, you, have made the Directive an essential component of successful restructuring. You have been the key to making this legislation an integral part of industrial relations in Europe. In a short space of time you have proved the Commission's contention that information and consultation is not an end in itself but is a useful and necessary tool for modernisation and adaptation. But does the fact that the Directive is now a matter of routine mean it is working?

It came into force two and a half years ago. Only now can we begin to take stock, of how well it is working, and of its contribution to the process of change in the workplaces of the Union.

We have here today the constituencies which must be part of such a review. We have here, for the first time, representatives of workers and management of all the European Works Councils, alongside the social partners' organisations and government representatives. Your job is to address key questions on the Directive:

- How successfully has the Directive been transposed into national legislation?
- The extent to which European Works Councils are operational.
- How they are being integrated into existing structures of industrial relations?
- The extent to which there are problems – and what they are.
- And, of course, what lessons we can draw for the future?

Let me contribute a few thoughts on these questions.

The first is implementation. Member States were obliged to transpose the Directive by September 1996. Most worked hard to do this, and to integrate the Directive in their bodies of law. The 1997 Directive, extending the Directive to the UK, must be implemented by end of this year.

However, in two cases, Member States have not yet transposed the Directive. Further delay is not acceptable, and the Commission has decided to launch infringement procedures against them both. In one Member State, the Directive has only been partially transposed by a collective agreement. A supplementary law on sanctions and court jurisdiction is required to complete the implementation. In all cases, I am delighted to say, the social partners have been involved in the transposition procedure, either formally or informally.

But once the law is in place, the second question is whether the Works Councils are operational.

One third of the companies, and about 40% of the workers, covered by the Directive now benefit from tailor-made agreements. We are now approaching the small and medium sized companies operating on a multinational basis. Undertakings which, because their human resources departments are smaller, need more time to conduct negotiations and bring them to a result which fits their special features and needs.

The range and number of agreements that have been concluded tell us that the Directive works. One reason why it works is that it seeks to apply a general framework, rather than a set of rigid provisions. There is room, as there must be, for the different traditions and approaches of each Member State. There is scope for workers' and management representatives to negotiate the solution that fits their company best.

The Directive proves that flexibility for companies to adapt to a fast changing business environment can be combined with security for workers. It shows the mutual benefits of the workforce being a partner in the process of restructuring. It shows that an approach based on making European indus-

trial relation systems more compatible, rather than trying to harmonise them, is the way ahead.

This approach, the way, offers us the prospect of getting agreement on the European Company Statute Directive. Such a compromise would take us one more step towards enhancing European workers' engagement in companies' futures.

So the process is working. But not without problems. The Renault case, for example, taught us a difficult lesson. That we must find a new balance between flexibility and security, one that gives employers and managers the flexibility to remain competitive. But one which also gives workers a sense of security in their work and a stake in the future of that business.

The message is clear. Mechanisms for proper worker involvement can increase the flexibility of the business environment in which firms operate. And they can offer workers a sense of confidence that they will not emerge as the losers in the restructuring process.

It is no surprise that two high-level groups set up by the Commission to examine questions of corporate restructuring, the Davignon Group on worker involvement and the Gyllenhammar Group on industrial restructuring, came to the same conclusions.

These reports underline two basic facts of life we must consider, if we are to take something positive from the Renault experience.

One is that constant industrial change and corporate restructuring is an inevitable part of remaining competitive in the world.

The second is that, if this constant industrial change and corporate restructuring is to meet its objective - if it is to be a positive factor in our competitiveness - then it needs to engage the workforce, as an integral and as a formal part of that process.

This cannot happen if information and consultation is an afterthought, a postscript to decision-making. That way, we succeed only in creating, at worst, a culture of conflict, at best a culture of cynicism.

To nurture globally productive companies and workforces, we must aspire to quite the opposite effect. We need to create a culture of anticipation, to actively engage the workforce in the process of change. If information and consultation means anything, it means informing and consulting in advance, BEFORE a decision is taken.

This was a central preoccupation in the preparation of our new proposal, for a «Council Directive establishing a general framework for informing and consulting employees in the European Community».

This meeting is well aware of the links between this proposal and the review of the European Works Councils Directive. Many of the issues it addresses are common to those which exercise us in the review. If there is substantive progress on Information and Consultation proposal in the Council, then the attitude of the new Commission to amending the EWC Directive will be different.

For this reason therefore, and because the European Works Council Directive is relatively new, it is in my view to early to say whether the next Commission will propose amendments to the Directive.

Because I believe the new information and consultation proposal will come to be seen as a valuable instrument for promoting adaptability within businesses. For creating a framework within companies to develop social dialogue, and to furnish the means to achieve productive change.

The aim is to improve the information and consultation rights of the people employed in individual companies. Again, not through a rigid formula, but through a framework that is precise, and flexible, enough to allow the social partners and Member States to apply the basic principles established at European level in ways that suit them.

And in ways that fill in the gaps in provision for employee information and consultation at national and Community levels.

The proposal simply gives employees a number of basic rights.

The right to information about recent and upcoming developments in company activity and about the company's economic and financial situation. The right to be informed and consulted on employment issues and on decisions likely to lead to substantial changes in work organisation. And the right to know how the company proposes to handle those changes.

The sanctions proposed are designed merely to persuade the small minority of «bad» employers to think again, to find a new approach to employees.

This is a very flexible proposal. We are saying: «let's leave it up to the social partners themselves, including those at individual company level, to shape the procedures that they want for putting the requirements of the proposal into practice».

We continue to have a huge preference for agreements between the social partners.

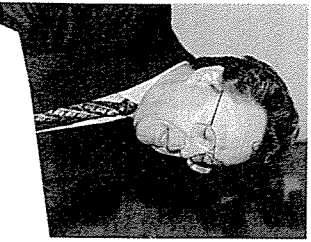
This was the spirit behind the European Works Council Directive and it is the spirit behind this new proposal.

So as we review the EWC Directive today, as you examine the lessons we should draw for the future, I would like to end with a question and a request.

My question: how long, ladies and gentlemen, before the newly proposed information and consultation arrangements are seen, too, as a matter of routine?

My request: let us make sure it is not long, for the benefit of all of those who have a stake in our productive potential and our global competitiveness.

I wish you a productive conference. Thank you for your attention.



Klaus Aschenbach • Secretary of State, Federal Ministry of Employment and Social Affairs

Chairman,
Ladies and Gentlemen,

I am delighted to be able to speak to you during the opening of this conference. On behalf of the Federal Government of Germany – and today this also means on behalf of the Council Presidency, I would like to welcome you all here to Brussels. In particular, I would like to pass on greetings and best wishes from the German Federal Minister for Employment and Social Affairs who was unable to join us here because of other urgent engagements. Minister Rießler also regrets this

as he was especially pleased that this important conference was taking place during the German presidency.

I would particularly like to thank the organisers, the European social partners and the European Commission which financed this conference.

Ladies and Gentlemen, the process of European integration can only succeed if Europe does not limit its thinking to a political or economic level. It is only once a united Europe becomes a social Europe too that the European idea will gain the necessary trust from the citizens of our various countries.

In particular, this also means that workers understand that their rights are protected within Europe and by Europe. The decisions cannot be taken over their heads – they have to be able to participate, not only within national borders but in Europe especially which is becoming and which should be, their living space.

It is only within a social Europe that workers can become fully involved and have the maximum possibilities for action. A social Europe is therefore also in the interest of companies. There cannot and should not therefore be any irreconcilable conflicts of interest.

This conference – which was jointly organised with the social partners – has precisely the distinction of demonstrating that the interest for common solutions is very great.

Carried by the conviction that it is absolutely necessary to establish a social Europe and to find common solutions serving a common interest, there is also the directive which features at the centre of this conference. We are delighted that this directive on European Works Councils, which saw the light of day five years ago now in September 1994, has finally been adopted by the Council of Europe. We are especially pleased that it was preceded by a genesis of 25 years, for that was how long we had to wait to achieve it.

Now, it is a question of checking whether this directive which we had to wait so long for is really a good thing. And I am sure that this conference will allow us to make up our minds on this.

For who can judge better than the social partners and the actors on the ground if and how the provisions of the directive have been applied in the meantime, and what experiences have been had? This is why I am especially delighted that the European Works Council members have come to share their experiences on the ground.

Things are certainly not perfect however. Here too, the rule of the half-full glass for some and the half-empty one for others also applies. In any case, the adoption of the directive constituted an important step for a social structure of the internal market, which set a lot of things in motion. At no other time has there been such a dynamism as there is today for transposition within companies and groups, dynamism whose extent and effects are increasingly overtaking the measures which we had been used to. It is particularly important that large companies render their structures more flexible and adapt to the new demands of the European market and indeed the world markets.

It is especially delicate because workers and their representatives will of course be directly affected by these changes.

Within a social Europe, it is vital to give workers' representatives cross-border rights to information and consultation. It was high time to guarantee European workers dialogue going beyond national borders. It was an obligation, to do justice to equity and equal opportunities.

But it was also of course in the interest of the companies themselves: well-informed and highly motivated workers constitute a decisive factor for each company's competitiveness.

It is precisely for this reason that we also need an internal market which is organised not without or against the workers, but with them and for them. And for this reason, the workers' representatives within the companies of Europe are indispensable.

To be part of economic progress, to be able to exert an influence on the decisions of employers affecting them, the workers need to have their interests represented, interests which they have selected themselves. They need this representation of interests because it gives them security and the feeling that they are not left as individuals without protection from the employer. They also need this representation of interests, because without it, open and fair participation by workers, and global information and consultation would not be possible.

This is the reason why European policy rightly decreed that companies with a European dimension needed to have European Works Councils. Not to prevent necessary structural changes; these have to remain feasible and be brought in. But these changes need to be transparent. They have to be structured in such a way that they are adaptable to the people concerned and are socially acceptable.

As all this is not about hindering things, the directive is not exactly a straight-jacket either, intended at linking the companies. The regulations foreseen actually allow a high level of flexibility to correspond to a company's specific structures, and negotiation solutions based on practice logically take ascendancy over legal constraint.

The first experiences leave us to hope that the path we have chosen is going in the right direction. The introductory declarations which we have heard so far confirm this appreciation, in my view.

One success is that out of some 1.500 companies and groups which are in line for the transposition of the directive, over a third have in the meantime established European Works Councils. Another success is that the great majority of these bodies were established on the basis of voluntary agreements between social partners. These are successes which must also be attributed to the flexibility foreseen by the directive.

If I mention these successes, it is not to say that we must give up trying to make progress. We need to think ahead more, and this is the aim of this conference.

Even if the experience has been brief so far, and even if up until now we can only go on the experience of establishing voluntary European Works Councils and not the imposed establishment following a failure in negotiations, I would like to say that five years after the entering into force of the directive, it is time to make an intermediary evaluation. I would like to wish you much success, with some animated discussions and a fruitful exchange of views on your experiences and opinions.

Stephen Hughes • President of the Commission for Employment and Social Affairs of the European Parliament.

Last public speech in mandate as Chairman of Committee on Employment and Social Affairs; subject Works Councils directive.

First speech outside Parliament in September 1994 to UNICE conference.

Subject : Works Councils; just day or two before adoption.

Many complaints then about the nature of the beast. Too inflexible, annex like sword of Damocles, procedures for special negotiating bodies to onerous etc.

Said then what I would wish to spell out again today, two sides can avoid "one size fits all legislative solutions through agreements to be reached through social dialogue. Have to say though that far from "one size fits all" approach, directive represented a flexible approach.

On substance of agenda for this conference, the directive did promise a full review of its contents before September 99. Can say that the Committee I chair takes the promised review of the directive seriously. So seriously, we organised a hearing at beginning of year bringing together practitioners with direct experience of implementation of directive and the setting up of works councils. Employers, TU's and academics who have looked closely at the transposition and implementation of the directive.

As result, can give you clear illustration of the views of the Committee. First on fundamental question of whether we should have a review in accordance with the timetable originally foreseen. Well, we think there should be. Transposition and implementation slower than would have liked. One member state will not implement until end this year but ironically, the greater proportion of the works councils established since the adoption of the directive have been established there. The UK of course.

We take the view that valuable lessons can already be drawn and that where these lessons point to the need for amendments to the directive, they should be tabled by the Commission.

I can also give you an early idea of the matters the Committee would want to focus in on as a result of the hearing. These would include the following :

- First, the threshold. Genuine view that the figure chosen on an arbitrary basis and that it should be reviewed.
- Second, the provision of relevant information in good time. The Committee takes the view that the time at which information is to be provided needs to be more clearly defined so that EWCs can deliver their opinion in good time and also that the quality info needs to be improved so other EWC can make material proposals.

- Third, the establishment and working procedures of the special negotiating body. Early indications are that the Committee takes the view that these procedures could be simplified or streamlined.

On these points at least the Committee would look to table amendments if the Commission do bring forward revisions to the original directive.

Would like to take the opportunity to take a broader view. Important we keep it all in perspective.

What we are talking about at this conference is that management of change -of information and



consultation in a time of widespread restructuring, we are talking about - partnership at work is a concrete attempt for labour flexibility with security.

It seems clear looking back to the earliest days of the Common Market that it was understood at the outset that economic integration within the European community would result in economic and social restructuring. The key and recurring theme was the combination of both economic and social progress into the European model of society. If there was to be restructuring, it had to be "responsible restructuring". Outside influences operated then, such as the oil shocks, just as globalization of finance, markets, technology and communications present powerful outside influences today.

The first oil shock in 1973/74 and the following recession lead to a deep round of company restructuring and rising unemployment. A series of directives – what might be termed the first "three pack" – was adopted to safeguard worker rights. These were the Directives on Collective Redundancies, transfers of Undertakings and Insolvency. Those directives continue to play an important part in protecting workers rights today. A cornerstone of equal opportunities – the Equal treatment Directive dates from the same period.

A further package of European Social legislation was adopted during the late 1980s and early 1990s, based upon the single European Act of 1986. The clear intention of that Treaty revision in the mid 80s was to build this new social law together with earlier law into a "social pillar" set beside the "economic pillar" of the single market.

The Maastricht Treaty at the beginning of the 1990s included a new social protocol excluding the UK but giving a new basis for social legislation for the other Member States and putting employers and unions in the driving seat in negotiating social legislation where they can. I would like to congratulate the social partners for the agreements they have reached to give us directives on Parental Leave, Part Time work and now fixed term contracts.

And now, of course, the Amsterdam Treaty incorporates the social protocol into the Social Chapter of the Treaty to provide a single legal base for social policy for all Member States of the European Union.

While these developments have been taking place, profound economic restructuring has been taking place at company level in the EU as the single market has been implemented. That first "three pack" of directives has played an important role in protecting workers during restructuring, liberalisation and privatisation. The European Works Councils Directive has also been some help in transnational companies but there is now a clear need to move ahead with a coherent package of measures on information and consultation.

This second "three pack" would include the Works Council Directive but also needs the draft directive on workers involvement in a European company, the so called "European Company Statute", and the new proposal for information and consultation rights for workers in national level companies. The EP gave that proposal a first reading at its April session.

If anyone doubts the need for these directives they should take a look at the figures for company mergers and acquisitions between 1986 and 1996. During that decade the number of mergers and acquisitions tripled in the Union as the single market took effect. In manufacturing industry they increased from 720 per year to 2,144 while in services they went up from 786 to 2,388. The majority of these mergers and acquisitions took place between European firms (76%) with 60% taking place between firms in the same Member State. That set of figures alone underlines the need for a directive on Information and Consultation in National Undertakings – nobody should doubt that these mergers and acquisitions are related to the completion of the internal market. Though they

are taking place at national level, they are directly related to the circumstances we have collectively created at EU level. Subsidiarity is a wonderful concept but it is dangerous if it is used to push down to national level decisions which can only be successfully implemented at EU level.

Cross-border capital flows, business transactions, company mergers and take-overs are likely to speed up as we move further into Economics and Monetary Union. As the figures I just quoted show, merger activity is most frequent between firms within the same Member State, but mergers and acquisitions across borders are also increasing. This reinforces the need for effective information and consultation rights at European and National levels. The new proposal on the general framework cannot be a substitute for a full review of the Works Council directive but it is a vital element.

It is to be hoped that all Member States will similarly recognise that the proposal for a general framework is about building partnership to steer a clear and smooth path through a period of continuing instability and restructuring. If not, the social harm and industrial unrest it could generate will be both costly and potentially damaging to the operation of the internal market which all governments hold dear.

After the introduction of the Euro, the European social dialogue will enable important results at all levels. But above all we have to give life to the Commission's Green book on the partnership on new forms of work organisation and on communication.

The question is : will we be able to create a partnership on the jobs and offer a just balance between flexibility and safety, which is necessary for the workers ?

I wish you good luck and a good work during this conference.



Patrick VENTURINI • General Secretary of the Economic and Social Committee

Thank you for inviting me to take part in this conference. I see this as an acknowledgement of the role of the Economic and Social Committee in the theme of the conference. Many things have already been said by previous speakers better qualified than me to speak on the subject. So I will restrict myself to two comments, taking a step back and giving the point of view of the Economic and Social Committee.

Firstly, I would like to say that a great deal of progress has been made but there still remains much to do.

We have actually come a long way. When you consider the directive in relation to information and consultation for workers in multi-national companies, you have a perfect example of building a social Europe. First of all, because this directive is a success. As if proof of this was needed, consider the number of works councils working at European level and even the holding of this conference, organised jointly, with a high level of involvement. This is a conference which also demonstrates what the European dimension can bring in its role of encouraging exchanges of opinion and activities: a confrontation of both positive and negative experiences, allowing «good practice» to emerge and promoting innovation and modernisation.

When you look at it, this directive has become one of the flagships of European social dialogue since its relaunch by Jacques Delors in 1985. I still recall the sceptical remarks of that time, which accompanied the Single Europe Act and the launch of the "Val Duchesse " process. This directive and the agreements concluded since 1995 allow us to measure the extent of progress achieved. It is obvious that social dialogue is multi-dimensional : interprofessional but sectoral at transnational level.

In passing, it is also interesting to note about this directive that the draft presented by the Commission in 1990 was very close to the text which was eventually adopted in 1994. This fact is interesting concerning how it was done, as the Commission was often wrongly criticised for being a structure which produced unenforceable texts.

But I think that above all, we should keep in mind that this directive may be considered in the social domain as a " second generation " text. Why mention a second generation? Because it involves texts of a social nature, the necessity for which originates from economic integration, generated by European construction. In other words, the multiplication of mergers and acquisitions resulting from European integration (creation of the internal market) called for a reaction from Europe : the directive is one of the reactions.

Let's go further. If we look back on the evolution of the construction of Europe since 1957, you can see that at each stage of its economic integration, Europe witnessed a new phase of social development. This was the case with the Werner plan and its follow-up in the 70s. It was the case with the Single Act in 1987, with the Maastricht Treaty in 1992 and, just recently, with the Amsterdam Treaty. One question springs to mind from this : What type of social dimension would be desirable, necessary, acceptable and suitable to be given to Europe in the new stage of integration created by the implementation of economic and monetary union? I think that it is urgent to open an exploratory debate on this question. The Commission did this about a decade ago, after the Single Act, with its report on the social dimension of the internal market. Initial elements were posed by the Commission and by the social partners on the social dimension of EMU. I think that these should be examined further.

My second remark, is that the Economic and Social Committee can and should act as a partner for the social partners and the European institutions.

First of all, ECOSOC is, as the place for representation and debate of the organised civil society at European level, an open and flexible place, in the framework of which the type of exploratory work which I have just described could be carried out. As I see it, one needs to work towards closer links between UNICE, CEEP and the ETUC in order to head in this direction.

But ECOSOC can also be a partner for the institutions and the social partners. ECOSOC mainly produces opinions on the proposals from the Commission. It also produces own-initiative opinions. Nothing would stop it also formulating exploratory opinions tomorrow within the area of social dialogue, before the Commission had even formed a proposal or the social partners had initiated negotiations. I am convinced that if a consensus could be reached at ECOSOC, - as the Committee is after all THE place for arriving at a consensus - this would certainly help negotiations.

Finally, the Amsterdam Treaty opens up the way for another working relationship between ECOSOC and the Parliament, since from now on it allows the EP to consult ECOSOC on subjects of a general nature as well as on specific themes. There is thus room for major potentials to be explored, notably as concerns the matters debated in the course of this conference.

TWO GENERAL ISSUES

Transpositions : similarities and particularities

Rosendo GONZALES DORREGO • European Commission, DGV

On 22 September 1994, the Council of Ministers adopted directive 94/45/EC, bringing to completion a long and arduous process which lasted over a quarter of a century and sometimes severely tested European social dialogue.

This directive is the first standard adopted in the framework of Social Protocol and is also the first referred to as "second generation". The autonomy of the parties, the social partners, plays a vital role in this, whether this is by way of the negotiations which precede the entering into force of the directive (article 13) or by negotiations which guarantee its application (article 6) or, also, negotiations which guarantee its transposition (article 14). One thing you can say about this point of view is that this directive is a sort of hybrid: its body is law, but its soul is contractual.

The transnational nature of the standard and the type of legal instrument which has been retained - a directive and not a European regulation - have required a major effort to ensure the overlapping of the various criteria in national transposition. To this end, the Member States and the Commission have created an ad hoc group which, during the whole transposition period, carried out some important work to achieve this objective. This work will be followed up in the framework of an appraisal of the implementation of the directive and its possible revision.

The study of the transpositions carried out, and their similarities and variations leads one on to four conclusions.

First of all, I must state that despite the short time which was given for transposition (two years) and despite the complexity of the subject, which concerns not only labour law but also societal law and international civil law, 95% of workers affected by the directive were covered by national transposition six months after the envisaged deadline. The ad hoc group definitely played a crucial role in this success.

Secondly, I would conclude that national transpositions overlap considerably as far as content is concerned. The similarities are nearly identical on the fundamental notions of the directive, meaning the thresholds, the notion of the company and of control, the composition if the special negotiating group and the European Works Council, the mandates and powers of this council.



The third conclusion I would make is the essential role of the social partners in transposition. Three countries (Italy, Belgium and Norway) carried out the transposition by concluding a collective agreement. In the other countries, the national social partners were consulted, officially or unofficially, before adopting the texts. The European social partners have finally also played an essential role in the pre-negotiations.

Anyway, and this is also a very important result, altercations arising from national transpositions have remained very rare. Most of the contradictions or disagreements which have emerged were more to do with differences on secondary rules between national transpositions than to the main content, nature and role of the body.

The agreements : convergences and particularities

Érik VERBORGH • Deputy Director of the European Foundation for the Improvement of Living and Working Conditions (Dublin)



The Foundation took on the analysis of the 386 voluntary agreements, concluded before October 1996, meaning, I remind you, during the years where directive 94/45/EC was not applicable in the United Kingdom because of opting-out. These agreements were concluded in 244 companies on the Continent, of which 55 were British companies and 87 originated from the rest of the world. In total, one third of the companies concerned by the directive concluded such an agreement, but the rate varies between countries. Curiously, over half the British companies corresponding to the directive criteria signed an agreement although they did not have to, equalling a score above that declared by France or Germany for example. The agreements were mostly concluded during 12 months preceding 22 September 1996 : 33% during the month of September alone and 45% in the previous 11 months.

The directive does not specify who must sign on behalf of the employees. In one in two cases, it is the national or European trade union organisations who do it, in one out of three it is the works councils. Anyway, we know that there are two major types of employee representation bodies: the German model (workers only), one third of the agreements are of this kind, and the French model (bi-parite), which two thirds of agreements follow.

Regarding composition, we note firstly that half the councils thus created have between 11 and 20 members and 31% over 20 members. One in three agreements offers the possibility for one person not paid by the group to be a full member of the Council : more often, this opportunity is taken up by trade union representatives. Two in three agreements foresee the possibility of inviting people

outside the group, this clause normally being for experts in this case.

The duties attributed to the EW/Cs by the agreement are as expected : information and consultation. Very few agreements, less than 10%, foresee other duties (such as the drafting of opinions or negotiation). Financial and economic questions, and social questions, particularly including employment, are the areas quoted in the great majority of cases. Other themes emerge - organisation, mergers, transfers and acquisitions, health and safety at work - but this is the situation in only one in two cases, often less.

Depending on the country, between 75 and 95% of agreements foresee an annual meeting of the EW/C, but in the great majority of cases, this means one preparatory meeting and one plenary meeting at least. In 92% of cases, this involves preparatory, plenary plus evaluation meetings. In any case, nearly one in three agreements allows for the possibility to organise a special meeting, on the basis of a joint decision.

The existence of steering committee or board is provided for by 62% of agreements studied, the most frequently given roles for these boards being to draft the meeting agendas, ensure their circulation and to prepare the meetings.

Finally, voluntary agreements differ on three points on the subsidiary provisions of the directive : the trade union organisations are often signatories, although the directive makes no reference on this point ; the employer's chairmanship carries the deciding vote, and lastly, the geographical field goes beyond the frontiers of the European Union and the European Economic Area to include Switzerland and the countries of Central and Eastern Europe.

Differences appear between the agreements of course. The country where the company is based and thus the characteristics of industrial relations in the particular country, explains more clearly part of the differences, whether the sector of activity or the size of the companies.

Finally, the study of the texts of the agreements leads to an examination on the destiny of the European Works Council. Will it be a formal, symbolic authority, meeting once a year or will it continue to develop as an influential actor on transnational issues?

REPORTS AND WORKSHOPS

Establishment

Workshops

- Progression of negotiations

- Organisation of European Works Councils



Sonia Kohneimergen • Fédération des Entreprises de Belgique
(Belgian employers' federation)

a) The workshop «Progression of negotiations» essentially looked at three themes: the progression of negotiations over time, the content of negotiations and the negotiation process.

- Concerning progress, it is important to single out two separate eras: the one when agreements were negotiated under the stamp of article 13, and the one which begins with the coming into force of the directive, in September 1996.

The great majority of the agreements currently in existence were concluded on the basis of article 13. The contributors attributed the success of this period to several factors. The fact that the negotiations were founded on the joint will of the parties involved was an asset for their success. The companies' keenness to avoid the stipulations prescribed in the directive also played a role. In any case, there was strong rallying by the European trade union federations. At the other extreme, the slowing down during the second period was put down to the disappearance of the pressure which had been generated by the deadline, the formal, more complex, bureaucratic nature of the directive, the reluctance on the part of certain managers, the increase in mergers and acquisitions which reduced the number of EWGs to be created, a certain lack of interest on the part of workers' representatives and their organisations ; in short, the priority given by European federations to continue existing works councils rather than create new ones.

- Regarding the content of negotiations, discussions confirmed the diversity of existing situations, depending on the activities of the companies, the numerous sectors which exist within certain groups and certain traditions concerning information and consultation, as well as negotiation. In groups where the companies belonged to several sectors of activity, pragmatic solutions were devised, such as by creating several EWGs. In this case, the expert emphasised the importance of having a coordination body, for the sake of management and the organisation of the works councils work as much as for the workers' representatives.

- Finally, concerning the negotiation process, several speakers pointed out the difficulty which some small countries have in order to be represented in the special negotiating body as well as within the

works council. There are several reasons for this: the limited number of places, the threshold on members' numbers, a lesser tradition of information and consultation, and, in some sectors, a substantial number of seasonal workers. Finally, it was clear that the role of the expert during the negotiation period needed to be clarified.

b) Concerning the workshop «Organisation of European Works Councils», six main points came out of the discussions.

- The group devoted a lot of time to the role which could be played by the Select Committee. Several participants underlined the importance of the committee organising and coordinating the work of the EWC to assure continuity, energize discussions, ensure the European Works Council is represented on the outside, and ensure that countries absent from the European Works Council are represented. If the Select Committee has an important role, it follows that it needs to have the means, in terms of both time and money, to allow it to carry out its role properly.

It was nevertheless underlined that the Select Committee should not act in place or instead of the European Works Council. In this case, its representativeness could be called into question. On the contrary, it should ensure that information trickles down to all workers concerned.

At the other extreme, other speakers emphasised that the option of creating a Select Committee or not depended on the individual company and its particularities, and that this choice should remain open.

- Preparation of meetings : The importance of thorough preparation for European Works Council meetings, to ensure their effectiveness and utility, was underlined. Some people pointed out the possible advantage of working in topic groups, others the importance of participation by experts for both sides, taking into account the increasing complexity of the subjects being dealt with. One speaker suggested separating more clearly the role of the expert from that of the trade union representative, in order to increase acceptance of experts.

- Several participants underlined the fact that even if the diversity of languages is not an obstacle in itself to communication, significant means do need to be utilised in order to ensure sound communication.

- The importance of distributing information to all staff, after meetings, was raised, with several participants emphasising the fact that this required the use of modern means of communication. One speaker cited the case of the systematic production of minutes, which were then distributed to all staff. Such giving of information also prevents local representatives from feeling excluded.

- The training of Works Council members was raised as a means of getting around the difficulties brought about by absenteeism and the natural rotation of EWC members.

- As for the frequency of meetings, several employee representatives expressed the wish for numerous meetings, on specific themes.

To conclude, I would like to paraphrase a contribution made by a participant who felt that regulations should be drawn up which cover what is really considered to be at stake, by management and workers' representatives alike.

Progression of negotiations



Chairperson • Richard HUME-ROTHERY Expert • Jan CREMERS

Discussion topics

The main objective of this workshop is to see the lessons which can be drawn from negotiations on the establishment of European Works Councils.

Launch of negotiations

- Who takes the initiative ?
- Is it possible to identify the partners in negotiations, quickly?
- Which are the questions which should be asked concerning skills, mandates and scope of negotiations?

Composition of negotiation bodies and negotiation process

- What are the criteria for membership of the negotiation body?
- What degree of flexibility/rigidity is there in the procedure?
- What are relations like between the levels of the company, national delegation and European mandate?

Skill and best practice

- Does one take into account experience from elsewhere?
- Where does the European dimension come in, in relation to national practices?

Content of negotiations

- How does one choose between an information procedure and a EWC ?
- How does one proceed to an adequate structure?
- Is it necessary to draw up a document?
- Should agreements be subject to revision, or fixed?

Two practical experiences

Marcello RIES • Trade union expert in the Coca-Cola European Works Council

I would like to tell you about my experience of negotiations on the establishment of the EWC at the Coca-Cola group. First of all, it is important to take into account the fact that every company has its own culture, organisation, geographical scope and production system. Therefore, each situation differs from another.

Coca-Cola is a company which covers the whole world, with a famous company trademark. It includes the «C.C. Company», which is limited to the production of concentrates, the syrup which will be diluted with water. This concentrate is nicknamed black gold by the group's management. Their objective is to sell the maximum of this. To do this, a series of bottling companies was created, from which «C.C. Company» takes a major share of the capital. Their role is to sell the bottles of Coca-Cola. These companies have production units and distribution networks. In Europe, the largest company is «C.C. Enterprise», which has markets in the UK, France, Belgium, the Netherlands and Luxembourg. In Europe, C.C. Company has 3 500 employees whilst «C.C. Enterprise» has over 8 000, in only 5 countries.

We had some major differences of opinion about the establishment of the directive within the group. We could clearly see the consequences of the structuring of the group when it came to creating a European Works Council. For the trade unions, it was obvious that C.C. Company was controlling C.C. Enterprise. This is not only our opinion, but also that of the European Commission which debated this issue not so long ago. For us, the negotiation of a EWC had to take into account both C.C. Company and C.C. Enterprise. The group's management never wanted to follow up trade union demands from the negotiations. It sought to negotiate directly, by composing a special negotiating body. This special negotiating body established by the group's management included 2 Italians, representing 2 350 persons, 1 Dane, representing 10 persons, 1 Dutchman for 30 persons and one Finn for 17 persons. Representation within this special negotiating body was unbalanced. Management thought that one meeting of this delegation, during which the content of the directive could be more or less explained,

ned, would be enough to lead to the signature of an agreement which would be in line with the directive's stipulations. The result was that the company delegates who were familiar with the directive and their rights did not rush into the negotiations, which lasted two years. For ideological reasons which we have difficulty understanding, this group, like others, tried to resort to every possible and unimaginable method in order to avoid having to establish a workers' transnational information and consultation body. They wanted to have a simple communications structure where the administrators would simply inform workers' representatives without taking their opinions into account. All possible weapons were used: indirect manipulation, psychological pressure, particularly towards workers' representatives where there were small offices or commercial entities on which management had a very direct and clear influence. In addition, management excluded an expert called on by the employee representatives from the negotiations (...).

At C. C. Enterprise, the approach was very different because the company is territorial, there were more workers concerned and greater trade union involvement. Management tried to have real dialogue with the trade unions. The negotiations were brief. Informal discussions were begun in December and the agreement was signed in February, after only one official negotiation session. A special negotiating body was established which provided an input for the outline of a basic agreement and we arrived at an agreement which not only conformed to the stipulations of the directive but also satisfied the two parties. This company recognised the added value of consultation.

By way of conclusion, I would say that the greatest difficulties in negotiations revolve around identifying the partners. But the most important thing is that the will is there to arrive at an agreement which leads to information and consultation and which satisfies both parties. If we had to rely upon the European directive or on national legislation alone, I fear that these would be severely deficient, allowing any crafty managers out there to create a fictitious EWC or to avoid creating one at all, as some companies have done.

Giancarlo FALCUGGI • Assistant to the Human Resources Manager at the ENI group

ENI is an industrial group involved in chemicals and related sectors. On 19 April 1995, we created a European Works Council using the subsidiary provisions of the directive. We did not require especially long discussions. We negotiated with the national chemical and energy trade unions in Italy and the European Industry Federation for the chemical and energy sector (EMCEF).

I would like to raise two preliminary issues before starting to evaluate our own experience.

The first problem to underline is that we had difficulty defining the scope of the group. We are in the chemical and energy sector where there is a certain diversification within the sectors. We reserved the European Works Council for the chemical and energy sector, thus keeping the various sectors of these two industries separate. For the setting up of the group, we took all the companies where ENI had at least 50% of capital. Concerning appointing members to the European Works Council, we limited this possibility to countries where we had over 150 employees. Where the branch had less than 150 workers, we decided to make use of the other possibility provided by the directive, the information procedure.

On the content of the agreement, there are certain fundamental elements to be defined. As agreed with the Italian unions, we gave foreign representatives more seats. We think that this is an important issue.

The agreement is flexible, very free. Concerning the criteria for appointing representatives, the agreement foresees 4 possibilities:

- appointment according to national legislation,
- appointment according to collective bargaining in force within the sector,
- appointment by the trade union representative bodies within the companies in other countries
- appointment by the most representative national trade union organisations.

The subjects within the scope of the works council are in line with those stipulated in the directive. However, we have added four specific subjects : transnational mobility programmes, health and safety of workers, vocational training and taking positive action. These subjects are important because they create a common-core syllabus among the various production headquarters of the group.

We have one meeting per year. It has been arranged that EWC members are excused from their professional activities for four days and all expenses are covered. Discussions take place in 5 languages (Italian, French, Spanish, German and English). The minutes are also translated into these languages and sent to all the trade union representation bodies. We have met several times and during one of these meetings, we decided to create an observatory for health and safety in the workplace, to cover the whole group. The observatory is a joint one (with the employers).

To conclude, here are two thoughts on our experiences. On the one hand, we were able to arrive at an agreement with the trade union organisations, but there is still a lot to do both on our side and on the side of the trade unions, in order to go further. There is still a certain amount of reluctance, and cultural differences remain, although there are major strategic plans to be implemented. ENI is affected by major reorganisation. In fact, we have numerous issues to take up with the European Works Council. The EWC is very important for us. It must be a place of information and consultation but cannot, for the moment at least, be a negotiation body as such, as the individual situations in Europe are just too diverse.

Organisation of the European Works Council



Chairperson

- Bernadette TESCH-SEGOL

Expert

- Teia COLAIANI



Discussion topics

Organising and operating EWCs obviously help maintain direct links. The workshop chose to concentrate its discussions on three questions: the composition of the European Works Council, the role of the officers and the Select Committee and the preparation and follow-up aspects of the EWC's work.

Composition of the European Works Council

- Is it truly a joint body or one just composed of workers' representatives?
- What sort of representation is there of the group's management?
- Is there participation by full-time trade unionists and/or experts? What is their role?
- What are the effects of the rotation of workers' representatives on the functioning of the EWC?

Role and composition of the Select Committee

- What are the selection and appointment procedures for the Select Committee?
- What role does it play in the functioning of the European Works Council?

Preparation and follow-up of meetings

- How are EWC meetings prepared and followed up?
- Who is responsible for this?
- What sort of work is done between meetings?

Two practical experiences

Richard GERBER • Vice-President of the Legal Department of Federal Express

Federal Express is an American company which has been established in Europe since 1986. Trade unionism is non-existent within the group in the USA. In an American context, works councils were initially considered to be revolutionary and shocking. Today however, I am not going to refer to European Works Councils as a nightmare, but as a very interesting experience. I am a witness. I like this expression because it makes me think of a marriage. And we are indeed talking about a kind of marriage here. In June 1997, after a relatively serious engagement period, we established a procedure and negotiated the agreement. The agreement was negotiated from June 1996 to 1997, in four sessions. There was firstly an introductory session with no negotiation, the aim of which was to bring the people together, allowing them to get to know each other and to draw up a timetable. Our EWC includes 14 people from Belgium, Luxembourg, France, Germany, the Netherlands, the UK, Switzerland and other countries. The UK is the best represented country on our European Works Council. As there was no works council in the UK one year before signing the agreement, we organised the EWCs over 16 branches which meet regularly for national meetings with delegates. We organised the same system in Spain and Switzerland. We also established a negotiation body which had arranged that during the first sessions, the employees from Austria and Luxembourg were represented by the Germans. Next, the Luxembourg colleagues were represented by the Belgians. It was also arranged that if other countries were to be represented within the European Works Council, such as Sweden or Norway, the employees in these countries had to get themselves represented by one of the countries already represented on the European Works Council.

It took 6 months to organise the first meeting, and 3 months for the second. Now, 3 months of preparation seems to be sufficient for us.

Federal Express has a very specific approach. We like participants to know that they have a serious contribution to make. Apart from this, local management have to accept absences so that workers are able to fulfil their mandate.

The points to be placed on the agenda are checked 6 weeks before the meeting and finalised 2 weeks in advance. Points can be added to the agenda even at the last minute.

The aim of these meetings is to share experiences and hear contributions from participants. But as a general rule, the points which are raised by managers and workers are concentrated on local problems.

The President of Federal Express found the first meeting so interesting that we now have two meetings per year.

The meetings are organised in the following manner: Before the meeting, there is an informal dinner. This is an important event for all the partners. The morning after, the EWC members meet. Initially, we tried to work in English alone, but this was not effective. Next, we tried to work with whispered interpretation but this was quickly abandoned as it was not satisfactory either. We now work with simultaneous interpretation in 6 languages. The plenary is organised in the form of an average of four speeches followed by a question-and-answer session. Part of the meeting is reserved for follow-up. It is rather like a board meeting. Minutes are drawn up and signed by the two parties. Next, a newsletter is produced and sent to all the managers who then have to distribute it to the employees.

Marc BLANC • Secretary of the European Information and Concertation Body of Elf

The European Works Council is a new structure for us (1994), even if our agreement was concluded back in 1991. It might be useful to keep in mind the following two principal characteristics : its European dimension, but also improved visibility and recognition of European trade unionism. (...) On the organisation of the EWC, I would say that the organisation side foreshadows the operation of the European Works Council. (...) Concerning the EWC being a joint body, the agreements which are concluded are actually often modelled on national social dialogue practices. In the present circumstances, it is difficult to do otherwise, especially as national transposition laws are heading in that direction. For example, transposition in France dictates that the EWC is chaired by the Company Director. This means acceptance of the organisation of the EWC by all delegates, whatever the origin. A quick outline of what happened is that in 1991, when the German delegation noticed that the EWC was chaired by the company manager, they did not wish to participate but as the result of dialogue, they returned the following year. It seems to me that this is a transitional phase, leading up to the creation of the EWC's own culture and identity. In fact, it doesn't really matter if the Company Director chairs or is invited. The fundamental thing is the EWC's own identity and the organisation of its scope of activities with those of the structures of national representation bodies. This is a key point.

Our new agreement of 2 February 1999 did not entirely cover this issue and development which I consider to be vital. But one reason why things are going this way is that the annual meeting of the EWC will be held jointly with the works council of the French group. This is therefore the beginning of organisation between the EWC and a national body. (...).

One of the points to be underlined and which is significant among the problems encountered is the allocation of places. Here are a few figures to give you an idea of the context we are in when we deal with this subject during negotiations.

The Elf group consists of 954 companies throughout the world : 85 000 employees of which 43 000 are in France and 21 000 in the rest of Europe, with, currently, 4 sectors of activity. (...) We have two particularities in this situation. Although the directive fixes the maximum number of EWC members at 30, Elf's EWC used to have 54 (30 Europeans and 24 French) and the new agreement allows for 62 (30 French and 32 Europeans). Since 1991, there has always been a political will to have a stronger European delegation, despite the major difference in staffing levels between France and the other countries of Europe (...).

On another subject, one thing you can say about resorting to an expert is that there are varying opinions between the group management and the EWC on his or her role and status. Although our agreement permits calling on an expert for the preparatory meeting as well as the plenary, as does the French group's works council, we have not made use of this right. The European delegates must be in agreement on the interest and the motives being resorting to an expert. And I believe that the second difficulty which we are confronted with when we do actually call on an expert is the problem of his or her expenses which should be covered by management but which would require their approval as regards the purpose of this expertise. (...)

In another area, this year we will lose a third of the present members of the EWC due to the departure of one of the sectors covered by the group. This situation will have a considerable effect on the dynamics established over the past few years within the works council, thanks to three stages of 3-day training (...). To overcome this difficulty, the Liaison Office which we installed within the

EWC, made up of 11 members (5 Europeans, 5 French and the secretary) can act as intermediary in terms of the transmission of experience but also in the activation of this new collective. This Liaison Office meets four to five times a year. It plays an essential role in the drafting of the agenda, the organisation of preparatory and plenary meetings (...), in the production of notes drafted by the EWC itself. Finally, it plays an active role between the two annual meetings, on two levels:

- in the medium term, on subjects which we have been working on for years, such as vocational training, youth employment, trade union law, the social impact of the Euro and European policy ;
- in the short term, setting off the information and consultation process as well as its follow-up.

Functioning

- Workshops
- Subjects and contents of information and consultation
- Internal communication to the European Works Council and circulation of information within the group
- Functioning of the European Works Council

Annamarie David • European Trade Union Confederation

1) The scope of activities of European Works Councils: new ideas which are sometimes cobbled together but which often produce sound solutions in practice, even if not straight away

In agreements, the description of scopes of activity are normally done in two ways:

- either in a vague way without really specifying any particular areas;
- or in a limited, restrictive way, setting out the various areas and the scope.

In both cases, the personal accounts given have shown that what goes on in practice is the most important thing. I think that the contribution made by one participant summarises the situation pretty well: "it's better to have a bad agreement and good practice than the other way round", or: whether the scope is wide or narrow: all that matters is what is actually done with it.

A second aspect concerns the subjects to avoid. For the most part, people have said that there was probably no subject which was taboo for European Works Councils. All subjects may be tackled, with the possible exception of wages. Otherwise, if dealing with a particular subject is seen as being useful for the company and employees, it is dealt with, even if beyond the subjects traditionally



expected, equality at work between men and women, health and safety at work etc. were the most frequently raised subjects.

A third aspect concerning scope of activity : something which came out in the course of discussions is that consultation is a core element, at the heart of the functioning of European Works Councils. The EWC cannot be there to rubberstamp the government's decisions. It is vital that the workers' representatives are consulted in such a way that they can be involved in decision-making on the issues which concern them.

This said, differences still emerge. Beyond the acknowledged difficulties, and often especially where the decisions to be taken are major ones, problems sometimes resolve themselves but they can and must be solved via an improvement in practice : clarity of information ; consultation deadline ; quality of social dialogue ; necessary progressive training in the mechanisms of consultation. For the others, it would be useful to have clear texts on the mechanisms of consultation. Clear texts for agreements and legislation, including the directive.

The great majority of participants having recognised the importance of consultation, they also noted that we are still a long way from real consultation in the current scheme of things.

2) Necessity for adequate structures so that the European Works Council is able to operate on a high level, with efficient circulation of information

A certain amount of know-how in setting up structures is required here. Everyone seemed to agree on one point: there is no real information/consultation if you accept the minimum of one annual meeting. The process has to be continuous. Three possible elements or steps might be helpful here.

- Continuity requires a Select Committee, whatever name you give it, to ensure the smooth functioning of the European Works Council, the great majority recognise this. Beyond this, there are again differences of opinion on the role and the status of this committee. Some speakers also underlined that certain risks need to be avoided. The Select Committee should be prevented from going too fast and too far, leading to it taking the place of the European Works Council, eliminating the representatives from the groups' outskirts from the process (distant subsidiaries, small subsidiaries) to the advantage of the group's core or top table.

- For the EWC to operate smoothly, suitable working methods between meetings must also be found. There too, various solutions establish themselves: trade union intermediaries, national coordination networks, special committees to deal with questions affecting only some workers.

- In any case, it is vital to encourage complementary structures for information, consultation and the circulation of information. There needs to be a clear line between the European Works Council and local and national bodies : responsibilities must be clarified, supplementary information released, the right level found to solve questions and provide information. However, when we mention that these structures should be complementary, this does not mean that they should be kept totally separate. One final remark which I would make on this is that it seems to me that we have been hearing hypothetical statements rather than actual practical examples.

3) Third major point, the challenge of communication

What is remarkable is that the experiences described show that we are already in the process of establishing solutions and not just pointing out difficulties or cobbling everything together. Three essential points have emerged.

- There is firstly the problem of the variety of languages which makes communication difficult at every level. First of all, many representatives only speak one language. But interpretation and translation need to be of a high quality so that the information provided is correct, complete and therefore usable. Translation, whilst indispensable, sometimes slows down the circulation of information although it really needs to be swift. Solutions are put forward or implemented. For example, language training or resorting to " linguistic helpers " for the Chairman or Secretary of the EWC. However, speakers did comment that every member of a European Works Council should be able to express himself directly in his own language, if you wish to have real employee representatives from groups, particularly in certain sectors.

- The challenge of communication is also the circulation of information within the body itself. Questions were raised about the quality of the agendas, the questions to be asked and the amount of time to be allowed for these to be answered. Apart from this, the need for continuity in communication matters brings us back to the vital role of the Select Committee.

- Another challenge of communication is to circulate information within the group too, between the European Works Council and the various management areas, including general management ; between the European Works Council representatives and the trade union organisations. Several speakers emphasised that the reports are sometimes too rambling. It is all about circulating information between the EWC and the employees in the group, not only from the top to the bottom, but in both directions. It is the essential feedback which forms the whole legitimate basis of the EWC.

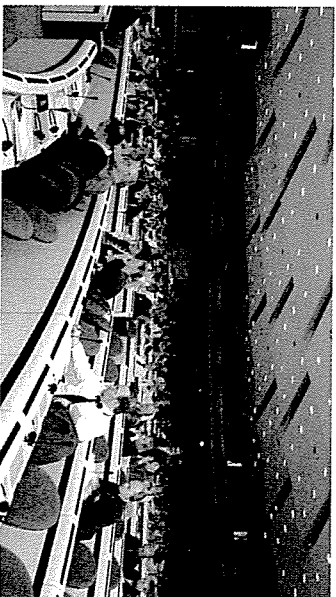
A great variety of solutions were implemented, ranging from methods dating from the Stone Age to techniques from the 21st Century ; from the grapevine to the Internet, via minutes, company newsletters, visits to subsidiaries, etc. ... Solutions adapted to the company concerned, its capacities and profile. Clearly, in this area, there can be no set model but rather numerous solutions, depending on the context and culture in question. Certain requirements are mutual, however. One of these is that no technical innovation can replace direct, physical contact between people. Another is that relationships of trust can be developed at different levels.

A number of difficulties have been raised on the subject of communication, but these are not really seen as structural difficulties. Indeed, participants demonstrated numerous methods, much lucidity and a clear will to overcome problems.

To finish off the communication issue, I would like to share something surprising with you. Nothing, or almost nothing, has been said on the subject of confidentiality. I ask you therefore: is this in fact a fictitious problem or one which can be settled in practice?

In conclusion, I would like to say that the examples presented indicate that a new Europe is inventing itself on the ground, through the invention of social dialogue within EU companies.

Subjects and content of information and consultation

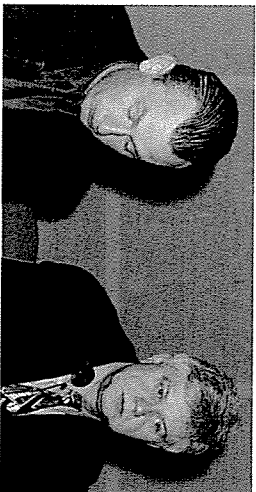


Chairperson

• Wolfgang GOOS

Expert

• Luc TRIANGLE



Discussion topics

The scope of European Works Councils, the type and quality of information provided,.... subjects which come up in the course of negotiations arouse many questions which are often answered within the texts themselves or, more usually, in practice.

Scope foreseen within the agreements

- What is the impact of a restrictive list or a detailed description of practices?

Concrete information provided

- What kind of information is provided on an economic, social and financial level?
- Which other questions are tackled and dealt with?
- Concretely, how is consultation actually organised?
- Which subjects are excluded from the scope of the EWC's work ?

New subjects

- Why were new subjects added to the EWC's duties?
- Are there specific points for attention within the company's policy? At national level? At European level?

Complementary nature of levels of information and consultation

- How do the three levels, company, national level and European Works Council, fit in with each other, in terms of traditional subjects as well as new ones ?
- To what extent is the information and consultation procedure in EWCs new ? To what extent does it add value?

Two practical experiences

Tore HEDBERG • Secretary of the European Works Council at Atlas Copco

This is a Swedish company (...) with 24 000 employees, of which 8 500 are in Europe. The European Works Council was established in October 1995 and includes 23 delegates from 6 countries. There is a Select Committee composed of 3 people, (a Swede, a Belgian and a German). I am Secretary of this group. One annual meeting held in March is provided for the EWC, which takes place from a Thursday through to Sunday. The Select Committee prepares the agenda. Apart from this, the Select Committee maintains contact with the other EWC members as well as with the company management. Our agreement specifies that the information provided has to cover structural and industrial change, investment, social impact of staff reductions or company closures and activities with a cross-border impact.

When we signed the agreement, we thought that there would be one meeting per year (...). In fact, we quickly discovered that Atlas Copco was in continual expansion internationally and that both personnel and products were in constant transfer. Until then we had never really been informed about this situation.

One important change occurred in September 1998. In fact, we were invited to a meeting in Napoca. This was attended by the EWC, the Swedish Chairman, the Personnel Director, and the Economic and Financial Director. By means of video-conferencing, we were involved in the objective of regrouping certain departments from 15 to 18 Atlas companies into one single department centre, somewhere in Europe. Following this video conference, we organised a smaller meeting with the EWC members and we considered that the information provided was vague. We asked for a feasibility study to be carried out. Initially, the company hoped to be able to take its decision before the end of 1998, but we succeeded in ensuring the organisation of a seminar in January 1999 where all the data was presented to us.

Internal communication to European Works Councils and circulation of information within the group

In the course of this seminar, we felt that things had not been sufficiently thought through. After all, the project was an important one since the creation of such a centre would affect 15 to 18 establishments in Europe, would mean transfers for some people, hiring for others and regulations on early retirement. For the moment, the company has taken our objections on board.

Berthold VETTER • Director of Personnel at BASF AG and Head of International Activities

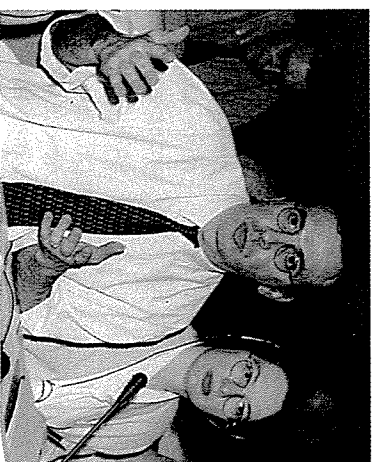
BASF is a company which employs nearly 100 000 workers, 75 000 of which are in Germany and the rest in Europe. The European Works Council was created in May 1995, but the company has a long tradition of dialogue, as does the chemicals sector in Germany (...). In May 1995, the first meeting of what we call "Euro-dialogue" took place. In the group, 75% of employees are German, so our objective is to have real European-level dialogue. This led us to a decision : in EWCS, 20% of representatives are German and 80% are non-German, in other words, the proportion is the opposite of the staffing one.

(...) We hold an official EWC meeting over one day once a year. This is attended by company representatives and occasionally some guests such as representatives from trade unions or groupings of workers. The agenda is drafted with management.

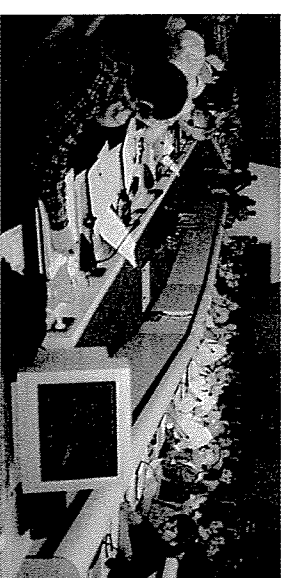
Anyway, the agreement provides for extraordinary meetings following a problem which has had a cross-border impact with repercussions for workers. A Steering Committee composed of a group of three people is then set up to meet with representatives of the countries concerned. These are what we call "special meetings". We take care to ensure that these meetings take place in different countries each time, to encourage a better knowledge of Europe.

Which subjects do we deal with? During the annual meeting we deal with the organisation of the group, its economic situation, personnel issues, the social situation within the group, development prospects, particularly in terms of mergers and acquisitions, new working methods, and health and safety problems. In addition to this, at each meeting we cover current issues on which we invite experts to speak, issues such as the transition to monetary union or computer work at European level.

We consider that our "Euro-dialogue" has proved itself, but that it is still evolving: the increase in the number of extraordinary meetings is one indication of this.



Chairperson • François BALLESTERO
Expert • Marie DALY



Discussion topics

European Works Councils represent an additional stage within the communications structure of a transnational company. In the workshop, the aim was to identify the difficulties, the added value for employees, and the tools used.

Communication structures

- Which types are used?
- What kind of difficulties have been experienced?
- How did the EWC tackle the discussion of sensitive questions?

Different levels of communication

- What are the expectations of local workers and employers?
- How do these expectations affect the EWC's communications to the various levels?
- How are questions of confidentiality dealt with and managed?

Three practical experiences

Jean-Louis MALYS, Secretary of the European Works Council at Usinor

With the purchase of Cockerill-Sambre, Usinor today has over 60 000 employees (58% of which are French workers). The agreement establishing the EWC was signed on 19 September 1996. The agreement was born out of the mutual will of the employer and trade union organisations. The EWC is a tool which has allowed the growth of the group to be anticipated before the event (...) as it has only spread itself internationally in the past few years.

There are several forms of communication within the group in which the EWC is involved:

Basic communication between the EWC and general management : with the establishment of a secretariat made up of 10 members (7 Fr, 1 Ger, 1 It, 1 Bel), communication is maintained with general management. We are warned straight away of mergers or acquisitions. The secretariat meets 4 times a year but it often meets for extraordinary meetings and has the right to visit sites, permitting meetings with local management. Generally speaking, the secretariat meets with general management 10 to 12 times per year.

Between EWC members: there are difficulties with non-French members, particularly translation problems (delays in receiving translated documents) and problems linked to structural differences in trade union organisations in the other countries.

From the EWC to employees : three plenary meetings of the EWC were dedicated to the circulation of information to employees. During the last meeting, we made a joint declaration which was distributed, via trade union channels, to employees.

The introduction of an internal circular (provided for in the agreement) was supposed to act as a channel for the views of the European Works Council. But we have had a number of difficulties with the employer over this. In fact, an information letter coming from the European Works Council secretariat, translated into 5 languages, was created and is distributed throughout the whole group. We also intend to install an Internet site just for the European Works Council.

The European Works Council is at the heart of improved knowledge of other cultures and management which generally goes along with communicating. This aside, for employees, the EWC is becoming a body as well known as the Board of Directors or the works council.

Nevertheless, there are still difficulties regarding direct contact with employees and relating to the actual information provided.

M. WAINE • workers' representative at the Guinness Ireland Group

Within the Guinness group, communication in the European Works Councils is organised as follows. Three months before the meeting of the Forum, a letter is sent out to employees' representatives about the questions they would like to put to the agenda of the Forum plenary meeting. This correspondence is translated into three languages : English, Spanish and German. Two months before the meeting of the Forum, the employees' representatives must have sent their questions back to us. Management then meets to finalise the agenda. A month before the Forum meeting, the agenda, translated into the various languages is sent to participants for their comments.

The day before the Forum meeting, a preparatory meeting takes place between the workers' representatives to finalise a common position in relation to the agenda. This preparatory meeting is held with simultaneous interpretation.⁹⁶ The day of the Forum, chairmanship is handed to the employer. At the end of the meeting, I get together with my counterpart on the management side to draft the minutes, which are distributed to company representatives.

K. WALSH • Head of relations with workers in the Guinness Ireland Group Ltd

The Guinness group Forum includes 44 staff representatives and 7 management representatives. This large number of members makes it difficult to coordinate the body and the way it operates. Apart from that, following the increase in employees within the group, the number of staff representatives is set to rise to 60 by the year 2002. In my opinion, we should concentrate on representation so that positive dialogue comes out of meetings. However, good relations developed between employee representatives.

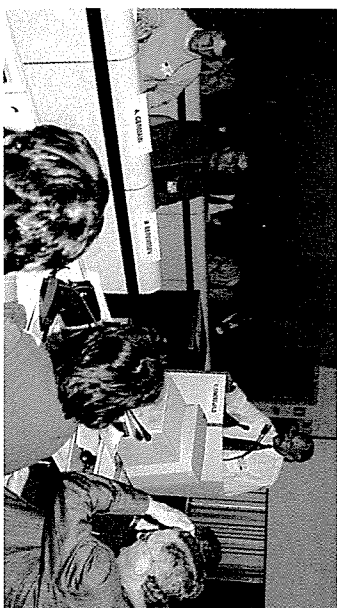
At Guinness there is some experience of works councils. In fact, since 1977, Ireland has been familiar with the concept of information/consultation. We are probably more comfortable with it than other parts of the group.

At the beginning, people were very doubtful and suspicious. Today, we can truly say that people are more relaxed and ready to listen. Informal links have been established. By meeting each other, people have learned to interpret the behaviour and attitudes of others.

On the other hand, it has to be said that employees are only interested in the European Works Council when something happens. As far as communication is concerned, we have recently started using Internet, plus traditional means and we publish a newsletter.

The EWC still remains an instrument which can be resorted to in the event of a problem, when something happens.

Functioning of the European Works Council



Chairman
• Vidar LINDERFELD
Expert
• Boudewijn BERENTSEN

Discussion topics

This workshop deals with the practices and the means which allow the European Works Council to function satisfactorily, particularly in the area of consultation.

Practices for EWC to function smoothly

- What means are there to help install trust between employers and workers' representatives so that there is efficient information and consultation ?
- How can one avoid an overlap between the practice of information and consultation at European and national/local level? Which kinds of effective cooperation can be put in place?

Means required

- What are the needs and which means need to be developed?
- Which are the most effective forms of communication between the meetings of the European Works Council? At what level?
- What role can be played by the Select Committee in the process of information and consultation?

Timing

- When should information and consultation take place?
- How should a timetable for information and consultation be drawn up?

Two practical experiences

Alain GERMANN • Secretary of the European Works Council at Sarah Lee

Sarah Lee has 12 000 employees in Europe. We concluded a EWC agreement in 1996. For our European federation, it was the best agreement concluded concerning the textiles sector and one of the best for the groups which are conglomerates.

Some important points to note on our agreement are: in principle, the introductory section of our agreement extends the scope of the European body's application to the countries of Central and Eastern Europe and North Africa (Maghreb). Staff representatives from companies involved may participate in meetings but as observers only. The trade union asked for and obtained this extension as the garments sector used to be a high-intensity manpower industry with a tendency for relocating work. We therefore wanted to have a discussion and exchange of information within the area of European employment.

As with Danone, we have a procedure which provides for the establishment of working groups. The mission of these working groups is to produce initiatives which illustrate the group's social policy by formulating joint draft opinions in the areas of employment, training, exercising trade union law, equal opportunities, safety at work and working conditions. It was while this right was being exercised that concretely, last January, the European body decided to mandate a working group to analyse the situation regarding health, safety and hygiene in the various entities of Sarah Lee, in order to have an exchange of experiences. One example was in December 1998 when we adopted a text dealing with hygiene and safety within the units of the group.

The conditions in which the EWC can call upon an expert are clearly defined. Article 7 of our agreement provides the means for the secretariat in terms of payment of expenses, translations etc. The agreement also underlines the importance of the training of EWC members.

What have we learned after three years of EWCs being up and running ? The first thing is that a single meeting per year is insufficient. The second is that the group is doing its bit for information. But things become more difficult when the question of the group's future plans are to be tackled, and investment. The third is that we have been able to work on the drawing up of a "social charter" which affects all units, including those situated outside Europe, as well as a text about hygiene and safety. The fourth is that it is more difficult to work on developments to come regarding the organisation of the group.

George BACKER • President of Hoogovens

Hoogovens is a Dutch company which makes semi-finished products in steel and aluminium. The group has 22 000 employees, of which the majority are in the Netherlands.

I am going to show you an example of the cooperation between management and the EWC. It concerns the drawing up of strategic plans in the management of human resources.

Support

Workshops

- Operational means for European Works Council and costs
- Training and assistance

Hubert THIERRON • IG Metall

Clearly, the level of means provided for European Works Councils contributes to the level of effectiveness of information and consultation but on the other hand, the information and consultation of workers incur costs.

Experts concluded from this that European Works Councils would turn out to be very expensive. Naturally, everything depends on the number of meetings, the size of the company, travel costs, accommodation costs, the number of languages and the provisions made for training.

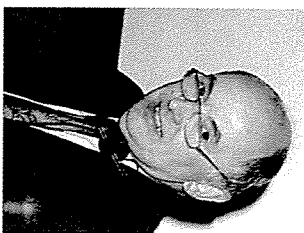
Some of the examples introduced allow one to calculate the cost of a two-day meeting, with 17 workers' representatives, all inclusive, at 400 000 French francs, or around 61 000 Euros. This figure begs two questions:

- What is the added value of such a body, in relation to its cost? It has to be considered as an investment for better information, better understanding and better motivation. But you should also add that this is only the case if an identical information and consultation process already exists at national level.
- The second issue is that the cost is especially high for smaller companies. It is logical therefore to look into how it can be reduced and, inevitably, we come to the question of translation and interpretation costs. Wouldn't it be better to train people rather than paying for translations? Except that we mustn't delude ourselves. After the age of 40, learning new languages is not easy, as many speakers have mentioned.

A second idea put forward by an expert is that the European Works Council is only an advantage for the company if the two parties involved are competent. Either this competence exists from the beginning, or it must be acquired. And that is the case for both parties, as they both have to tackle the enormity of transnational communication and consultation issues.

The qualifications necessary are fairly diverse. There is the basic knowledge: linguistic, on workers' representation structures in the two countries, inter-cultural communication. There are also technical skills: labour law, knowing how to read a balance sheet etc. ... And then, the question of economics, knowing how to make comparisons between branches, because EWCs and companies live within a branch context.

All this effort for training costs money. But if the European Works Council can be made use of by everyone, it should be seen as a good investment. In any case, some companies have already held several seminars, some of which were organised with both workers' and management representatives.



One other important point is that the Select Committee of the European Works Council examined the strategy document with the various unions who cooperated directly with the EWC. They prepared the works council meeting with the Board of Directors in order to be able to speak as a united voice.

What did the European Works Council tell us? Firstly, that the document was too centred around the needs of the company and did not sufficiently take into account the needs and expectations of the employees. Next, that if the document was to have an impact, there needed to be clearer identification of what Human Resource managers are, their place in the company and their role. Finally, that once the document was adopted, there needed to be a real plan of communication so that people were familiar with it.

At the end of this experience, what is our own evaluation? Our first impression is that we had thorough and useful work and discussion. Secondly, we saw that this consultation procedure takes time.

In general, we had valuable discussions with the works councils concerned and everybody became involved. And that's an example of real consultation.

Operational means for European Works Council and costs

In conclusion, three points should be highlighted. Firstly, education should be considered as an investment. For the purposes of European Works Councils, it is clear that this investment must be based around moving in a transnational direction, which also goes for management. Next, the content of this training must allow skills and knowledge to be acquired but also develop confidence. Lastly, quite a considerable effort was put into training within European Works Councils, which is positive since, after all, there was no great obligation to do so. This aside, it should be pointed out that some people would like the text of the directive to be clearer on this point, asking for this right to be properly enshrined. To end, I would like to state three things. Firstly, to increase the effectiveness of European Works Councils, they need to meet more than once a year, otherwise this form of communication has no purpose. The EWC should have the means available, not only linguistically speaking, but in terms of modern means of communication. Finally, European Works Councils must demand the right of their members to participate in training.



Chair • Charlie MCKENZIE Expert • Fiona WEBSTER

Discussion topics

Its very essence - a body comprised of representatives from different countries - and the fundamental rules governing its basic operations makes a European Works Council a source of costs for those groups which have one. Time and resources must also be invested in it if it is to do its job properly.

Costs of a European Works Council

- What direct and indirect costs are involved in the setting up and operation of a European Works Council?
- How have agreements tackled the problem of the number of employee representatives involved?
- How are EWC meetings set up; what costs are involved?
- How are interpretation at meetings and translation of documents dealt with?

Resources made available

- What resources are given to the employee representatives?
- How much «expert» input is provided to support the employee representatives?
- What protection do the employee representatives get?

Cost-benefit ratio

- What net benefit does the expenditure produce?

Two practical experiences

Jacques BACLIÈRE • Secretary of the Vvendi European Works Council

Vvendi employs 240 000 people in 113 countries worldwide, 145 000 of them in Europe. We are actively involved across a wide range of industries and fields of work: water, power, hygiene, transport, communication, telecoms, television, Internet, building and real property. The European Social Dialogue Forum was set up in 1994 out of a 2-year voluntary agreement in 1993 which was extended in 1995. The Forum comprises 24 elected representatives plus 6 shop stewards from France, 13 European elected representatives, an observer representative from the Central European and Baltic Countries, two representatives from the European Trade Union Confederation and one from the Confédération Européen des Cadres. The Forum Secretary is a 2-year appointment, and alternates between the French unions.

There is a 4-member executive committee comprising a secretary and 3 deputy secretaries - French, German, Danish and English. It meets in alternate months. Two EFBWV representatives attend its meetings at the company's cost.

The Social Dialogue Forum holds 1 two-day meeting a year: a one-day preparation meeting with the chartered accountant who also advises the French works council, and a one-day full meeting. The members of the EWC also get two days' training a year. Starting last year, we have a two-day seminar on a specific topic. This year's is on health and safety. We got management to let delegates from outside Europe (Australia, USA and the other regions of the world) sit in on this seminar. (...) The Social Dialogue Forum does not have its own budget and the meeting expenses are paid for in two ways: the travel costs and accommodation expenses of French members are paid for by their employer company, while group management pays those of the other representatives. Interpretation costs are paid for by the parent company.

Management also pays the experts' fees and provides interpretation facilities for all meetings, including those of the executive committee. We asked ourselves: do we need a budget or not? So far, the system is working. Both sides are playing fair. No-one is blocking anyone. Obviously, a change of tack by management would pull the rug from under our feet. We cannot cost out the European Works Council yet, because there have been too few meetings.

What is certain is that the firm looks on the European Works Council as a fundamental of its image as an employer. I think management sees the EWC more as an investment than a cost, and representatives' input to the discussions is an ongoing, low-cost audit for management.

Gilles CIBRON • Labour Relations Director, Eridania

The Eridania group employs 21 000 people in 165 production plants worldwide. Most of its business is in the European Union and the Central European and Baltic Countries. (...)

The body set up by the 1995 agreement is flexible in organizational terms. We have 5 directors representing group management and 17 delegates representing all the EU countries. We also agreed at the time to have a Central Europe delegate from Hungary with the same duties and powers as the EU delegates. We have since added a representative from Poland. (...)

The role of the executive committee has changed; it has been replaced by a 4-strong steering com-

mittee.

We have set up a newsletter, designed with the EWC delegates. It is sent out to all group employees, and carries messages from the Group Chairman, the Secretary of the EWC, and the SETA representative. The newsletter aims both to give credence to the EWC among group employees, and to publicize its activities. Our objective as management is to give the workforce our side of the picture on an equal footing with the union representatives.

We have two types of procedure. Routine procedure with two meetings a year at present - one every six months. Each of these is preceded by a preparatory meeting and training worked out jointly with the members of the steering committee. There is no provision for extraordinary meetings in the routine procedure. The committee can enlist the help of the auditor and trade union expertise. Simultaneous translation is always provided and the minutes are written in five languages. (...). Where transnational sell-offs or restructuring (at least two countries) are in the offing, the steering committee will be informed and consulted before the information is made public. The steering committee is flexible, because if the operation involves 6 or 7 countries, for example, representatives from each country concerned will be invited to attend the meeting in addition to the «permanent» members of the steering committee. (...)

We have simple rules on core funding for the EWC. All wage- and transport-related expenses are paid for by the delegates' employer companies. (...). Accommodation expenses and interpretation costs, on the other hand, are paid for by the group, and we have opened a budget account to which the costs of the group EWC are charged.

The real costs for a two-day EWC meeting, discounting wage- and transport-related expenses, average out to something around 30 490 euros. With the wage- and transport-related expenses, the average cost of a two-day meeting is 60 980 euros, or 3.25 euros per European worker a year. If you add on all the associated activities (training seminar, 25 000 copies of the newsletter sent out in nine languages, language training fees, etc.), that puts costs of around 152 450 euros on top of the 60 980 euros in 1998, bringing the cost per European worker to 11.50 euros. Having said that, 1998 was an exceptional year, because there will not be a three-day seminar every year. So, to get the most objective possible figure, we should leave out the 3-day seminar, which brings the average annual cost of running the EWC to 7.5 euros per European worker.

Training and assistance



Chair
• Emmanuel JULIEN
Expert
• Rolf JÄGER

Discussion topics

The effectiveness of European Works Councils is also predicated by the abilities of the employee representatives to assume the powers and duties assigned to them. Those abilities vary widely, so training and assistance are needed, with other things.

Basic skills required

- What key skills and special skills are needed?
- What outside expertise do European Works Councils need to enlist?
- What role do the unions play in this development of efficient communication systems?

Need for information networks.

- What communication methods and technologies can European Works Councils use?
- How should information be followed-up and development continued to achieve the best practical solution?

Skill enlargement

- What are the possible solutions to the organization and funding of skill development measures, and the enlisting of expertise?
- What resources are needed to reorganize and enhance the efficiency of their activities?

Two practical experiences

François CARRERA • Secretary of the Air France European Group Council

Air France employs 50 000 people in France, 2 500 in Europe and another 2 500 in the rest of the world. The size of Air France's presence varies widely: 450 people in Germany, 600 in the United Kingdom, 12 in Finland and 32 in Austria, for example. Air France is actively involved in all EU countries,

but also in Switzerland, Norway, etc. A group EWC was set up in November 1997. One particularly is that of the 30 full members (we also have 30 alternates), 20 represent the European employees, and 10 the French staff (...). There is an opposite trend in representation. All countries are represented, but some - like Spain, the United Kingdom, Italy and Germany - have larger delegations.

Training was our top priority. We started out with vast differences in training, backgrounds, and social cultures between delegates from the different countries. In France, the delegates were semi-professional, full-time trade union officials with French trade union rights in a leading, fairly well-off national company, while most of those from the other European countries were employee representatives with virtually no trade union backing, and so had problems exercising their right of representation.

Training was a major focus for us, and a bone of contention with management. During the negotiations, we tried to get substantial, specific resources allocated for training. The agreement provides for eight training days for all Group Council members during their four year terms of office, fully-paid by management. The training courses are worked out by the Council's executive board (representing the employees) and run by agencies recommended by the European Trade Union Confederation. This point is clearly set out in the agreement. In 1998, we had three, three-day training courses run by the European Trade Union College to familiarize the members of the EWC with the environment. About 45 people went for training. At management's request, members of local management in Europe were included on the course. It was not an easy decision to take. It took repeated discussions between ourselves to decide whether or not to agree to management's proposal. In the end, we did, and we have had no cause to regret it.

The first training module had three aims. First, to look at the practicalities of the different methods of employee representation, and the different labour and union practices across Europe. This was to get all reps up to speed on how employee representation works in the different countries. Then, to explore the contents of the agreement recently concluded, and to understand how it works. The third and final aim was to take the powers and shape of the EWC into the future.

We will be setting up a second, two-day training module this year, when we expect to address two issues. There is a large groundswell of demand - more from the European delegates than the French ones - to know more about the company's economic and social structure, and its organization. Many of the non-French delegates do not have this bigger picture of the firm, only their own regional or even national one. We will also try and familiarize delegates with company economic and financial information, so they can understand key figures which are decisive for the group. This will include analysis of income statements and balance sheets. The delegates mostly lack the economic backgrounds to enable them to understand what is going on, in order to uphold the employees' interests.

As to assistance, the agreement allows expertise to be enlisted for all meetings. We have a budget of 18 994 euros for expert advice. We ourselves pay for assistance to the Council members. With management's agreement, the executive board has struck up contacts and pays frequent visits to Air France sites in Europe.

We also intend setting up an EWC Internet site to facilitate communication between the different representatives.

Michele BRUNO • Labour Relations Manager, Ferrero Spa

The group employs 15 000 people in thirty firms worldwide. 80% of its turnover is generated by two

firms in Italy and Germany.

The EWC was set up in February 1996 by a voluntary agreement signed in Brussels between Ferrero's European managements and the European industry federation, ECF-IUF.

The EWC comprises a chairperson, secretary plus 10 members (4 German, 3 Italian, 2 Belgian and 2 French). There are two aspects to it. An institutional one, of consultation and being informed. This is very important and worthwhile. But I would like to look more closely at the other aspect - that of developing EWC members' skills.

After signing the agreement, we realised that the main job still had to be done. We had to learn certain things, not least how to reach agreement as a committee. We also had to get to grips with our environment as a whole, including the industry one, provisions, standards, legislation, the different trade union organisations. And we had to find out how to put ourselves over to the outside, i.e., get those not on the EWC involved in our activities.

To date, we have had 3 training schemes. We have received support from the European Union, which made consultancy services available to us. Agreement was reached on the training content with the EWC secretary.

The first course comprised two seminars. One was for EWC members only, while the other also included members of the management side. These seminars focused mainly on the legal aspects, especially the key practical and legal points for the application of the directive. We first looked at the background to the Social Dialogue, experiences in other countries, the different national legislative instruments implementing the directive. Most importantly, we settled on a common training approach.

The second course in 1997 focused on communication. We worked out ways of improving our mutual understanding so as to prevent deadlocks. We made efforts to overcome differences so as to foster effective international exchanges of information. We used communication and information specialists from the different sectors of industry. We believe these seminars have helped us do away with these breakdowns in communication.

Last March, we had a seminar on the market in which we operate. We looked at it from two angles. First, the overall scheme of things, i.e., the impacts of the euro on the economic system. Then, in the food market - which is important at all levels - we tried to clarify the impact on Ferrero of the concentrations going on among the major chains. We tried to pick out the new factors and synergies, and to see how price setting can affect our firm.

I should like to round off by addressing the question put at the start of the session on the most likely development scenarios for European firms: either European Works Councils will have a nominal role, or they will be proactive with a real effect at transnational level. We haven't got there yet, but we in Ferrero intend to go down the second road.

Responding to change

- Workshops
- Competitiveness; Globalization; Restructuring
- Adjusting the European Works Council to group composition



Luigi PELAIGI • Confindustria

The topics of these workshops were closely intertwined, because restructuring and reorganizing a group change its composition and entity structure, which in turn raises questions about changing the composition of the European Works Council or adapting the information and consultation procedure.

Any restructuring by a business to position itself within the European market is a watershed moment in the life of that business, and must be seen as part of a dynamic process. It is wrong to try and pinpoint one single, exact moment in every case. Most restructuring decisions stem from management's take on particular market attitudes. This has one far-reaching consequence which was the subject of much heated discussion in the workshop: the extreme difficulty of pinpointing exactly when «the» decision is taken, and so when consultation must take place. For some types of restructuring decision, the Directive is clear when consultation must take place: as soon as possible before decisions relating to closures of sites, relocation of production operations, or collective redundancies. But for other decisions, matters are less cut-and-dried and the corporate decision-making process not so clear-cut.

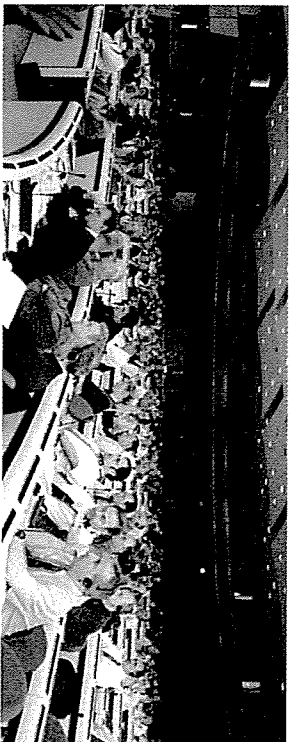
Restructuring is often perceived as a critical, and even bad, experience with a major downside for workers. We have seen that this is not true in every case. Restructuring is also a way of allowing the firm to respond to its markets. Sometimes, it is a matter of keeping the business and people's jobs intact.

The restructuring issue raised a number of points in the workshop.

- Are the restructurings which management has in mind always the right way to go? When one or more alternative solutions exist, some speakers wanted the consultation procedure to put the decision on hold for twelve months.
- There are instances where restructuring has been carried out in ongoing dialogue with delegates and workers. Although there is no provision for this in the directive, European Works Councils want this kind of involvement, and hence closer links between the national and European levels. But some speakers stressed that while the directive talks about consultation, that is not the same as joint decision-making.
- Finally, some speakers pressed the point that the responsibility for restructuring decisions lies with the one who assumes the risks, i.e., the businessman or management, because management is accountable to the shareholders.

The directive specifies how the composition of a group is to be determined, which will in turn dic-

Competitiveness - Globalization - Restructuring



Chair • Frédéric BRICNET
Expert • Peter REID



take the composition of the European Works Council. What becomes of the European Works Council when restructuring changes the composition of the undertaking. Some highly instructive case histories were presented, such as that of an undertaking which already had an information and consultation body covering all the countries in which the firm was active before the directive was adopted. Or again, that of a group whose composition contracted radically, and yet kept the European Works Council going, not least by lowering the threshold provided in the directive. The discussions revealed a wide range of very down-to-earth practices, such as ways of getting representatives from Central Europe involved. The common thread running through it all is the negotiators' ability to go beyond the directive's provisions through matter-of-fact approaches.

Let me conclude with two unresolved questions from the second workshop. Both joint ventures and franchising are on the increase. Both are regulated by the markets and must be attached to a legal system. But how should they be dealt with in relation to the European Works Council, and what «good practices» can be developed?

Discussion topics

Increasingly, restructuring is a constant of the life of transnational groups, because markets, production conditions and facilities are changing. Taking a reality check on this, and getting to grips with different perceptions, the workshop has three issues to discuss.

Information, confidentiality and timetable

- Where restructuring is liable to directly affect share prices and workers, how should employees' representatives be informed in the EWC, and what is their role in the consultation process?
- Can a balance be struck between information given to the EWC, legal obligations and the time-table set for information to be given at national and local level?
- How can the need for internal confidentiality, to preserve the benefits of restructuring, be accommodated with the right to information and consultation?
- What role does the EWC have as regards acquisitions and/or disposals?

Responsibility of European and local representatives

- Ought employees' representatives on the EWC to have a broader role, namely being involved and assisting the firm to respond to market pressures created by globalization?
- Is there a distinction to be drawn between a European-scale restructuring as part of an overall situation, and individual reorganizations affecting a small part of a business?
- Can a multicultural approach help the consultation process during restructuring?

Restructuring and expertise

- Is there a role for outside advisers in restructuring situations?

Two practical experiences

Günter BALTES • Secretary of the Unilever European Works Council

(...) Restructuring is really the overriding issue, because whereas the agreement only planned for two European Works Council meetings a year, we are now up to 4 or 5 meetings a year with the group in charge of it. We are still trying to work out how to set up a serious information and consultation system. (...) When decisions are taken in a multinational group like Unilever, you have to ask who is preparing the ground, who is really taking the decisions. Often, the group is used as a screen, and the talk is about local situations and conditions. And that is when the workers lose track of what's going on. Intentionally, in my view. (...) You can find examples of good practices, and bad ones, too. We looked at them, and tried to find the best way of putting an information and consultation system into practice with management. We tried to go with six points for a workable system.

First, there are very basic questions to ask when starting up a body like this: like, whose duty is it to inform and consult the European Works Council? The directive is fairly clear on this, but some firms - ours included - are less convinced. The answer is clear. Whatever level the decision is taken at, the responsibility lies with central management. In the final analysis, decisions are not taken by one, or two or three individuals. No - nowadays, they are planned transnationally at European if not world level - and that is where the decisions are taken. And that is where we have absolutely no representation. We are neither informed, nor consulted. (...) These international groups talking about marketing, products, and production policy also obviously talk about jobs and location, but we are not in these groups. We have no voice at these levels.

Point two: if the system is to work, we must be clear about what is meant by the national and transnational levels and roles. We must also be clear about who assumes responsibility at these levels.

Point three: what is consultation? The Renault affair made it clear that consultation isn't working as it was supposed to.

Point four is the most vexed question. At exactly what point does timely information and consultation have to take place before a decision. (...) In the group, we tried to work out a procedure specifying that we had to be informed and consulted 12 months before a decision was due to be taken. I would say that the most important thing in the decision-making process is the ability to influence what happens.

The next point which has to be got very clear indeed is that while national legislation has to be complied with when restructuring is going on, there is also European legislation that has to be taken generally into account.

To conclude: it has to be said that a restricted and qualified approach has often been taken in preference to plain speaking on the restructuring issue. The workers are not involved in this decision-making process until the very last minute, and then we get told that it's a purely local matter, when all the market and production strategies are laid down at international level. Bear in mind that today we have been carrying out international cost comparisons, and that is what determines decisions with far-reaching repercussions at local level.

So we must look at decision-making on restructuring in much more depth if we really want to get

added value for both sides.

Maurizio CASTRO • Manager, Zanussi SPA, and General Secretary of the Electrolux European Works Council

In Summer 1997, the European Works Council played a key role in implementing a restructuring programme. 12 000 redundancies were planned in 25 factories across Europe and North America. The workforce was informed by calling an extraordinary session of the European Works Council where the Chairman of Electrolux explained the reasons for the restructuring plan. They were told about the market situation, factory manufacturing capacities, and the need to rationalize production at the different factories in Europe. It was made clear that the decisions to be taken for the units to be restructured were based on long-term assessments, and that required a measure of competitiveness or competition between the different factories and total commitment from the European Works Council. It was agreed at the same meeting to improve the information and consultation procedures so as to establish a system of open and balanced consultations through which to bring forth alternative proposals and help evaluate factories' competitiveness in line with comparative requirements set at European level. Responsibility for this new information and consultation system was assigned to the European Works Council select committee tasked by the agreements setting up the EWC with improving the system. So, a joint body was set up comprising European Works Council members for each of the main countries and a union representative from the European federation (EMF). The procedure provides that national representatives and the steering committee are to be informed of all restructuring plans in their country, along with the union branch representatives even if the reason for the rationalization is purely national.

If restructuring is in the offing, the employees' representatives are notified in the same way as shareholders. The select committee, EWC members and local representatives must be notified immediately of any restructuring plans. That means that a select committee meeting is called whenever there is decision to sell off a business, buy a business, or restructure a line of business. As to the agreed procedure, progress with the restructuring has to be kept up to date at all times, and communicated in a sort of quick-reference chart showing information on the production lines, size of workforce affected, etc. The select committee also has to meet monthly to endorse the guidelines put forward for the restructuring operations and ensure transparency and consultation with the different countries. This procedure has been used on an as-needed basis and has been kept to. But it depends very much on the select committee. The select committee has given opinions and made suggestions. It also has a watching and supervisory brief over the restructuring plan. There have been no major clashes over restructuring. The EWC and select committee have given added value because we have been able to improve the information and consultation system as well as group competitiveness. They have also improved European and cultural integration by striking a balance between the different countries. Through dialogue between management and labour within the EWC, we have developed an overall approach with shared solutions. We think the system still has room for improvement and could work better. The track record so far has been very positive.

Adjusting the European Works Council to group composition



Chair • Claudio STANZANI
Expert • Alain BENLEZAR



Two practical experiences

Hans-Jürgen Uhl • Chair of the Volkswagen EWC

Volkswagen has been internationalizing and globalizing in fits and starts since the 50s. (...) One thing to bear in mind is that VW workers are represented on the company's supervisory board, which has oversight on the board of directors' management choices. In the 70s, the union representatives wanted to find out about the labour relations situation in foreign entities, how management was dealing with their employees and whether employees' rights were being observed. (...) In the 80s and 90s, the group expanded. As well as factories in Brazil and South Africa, there were factories in China, and there was talk of integrating SEAT in Spain, which happened in 1986. Skoda in the Czech Republic followed. There is also a factory at Bratislava in Slovakia, and a plant in Poland was bought out. The Audi subsidiary has had a factory in Hungary for several years past. Last year, the group took over Rolls-Royce, acquiring a production site in the United Kingdom, and our subsidiary Audi took over Lamborghini in Italy. (...) In 1990, we set up our European Works Council, but without a legal agreement with the VW board of directors. We agreed with the employee representatives and management that we should start by doing, and put it on an official footing afterwards. This is standard VW practice. It is what is known as cooperative conflict management, i.e., that the differing interests existing in the workplace between the employee representatives and management can be resolved by sitting down around the table.

In 1992 (...), we signed the agreement on the EWC and appointed the German, Spanish and Belgian representatives. Shortly afterwards, "Koda was integrated into the group and our Czech and Slovak colleagues were brought into the EWC straight off, first as visiting members, then under an indorsement to the original agreement. The same happened when the Polish factory was taken over. We're now looking to follow suit with our British and Portuguese colleagues. Six years ago, VW set up an equal joint venture with Ford. The question came up of how to accommodate the employee representatives from a joint venture (...)? So, we talked the matter over with our colleagues in Ford Germany, whose management was in charge of the factory in Portugal. (...) In fact, the factory concerned was neither part of our EWC, nor that of Ford. That problem is now solved, because VW controls the capital of the Portuguese factory. (...) On the other hand, we haven't so far been able to bring our Chinese colleagues into our direct international network because Chinese trade unions are not free and independent. But we are stepping up our contacts with them. (...) For international aspects, we capitalize on our cooperation with local trade unions. (...) We use the opportunities for setting up seminars, some of them regional, some involving all the European production sites. Whenever a new production site comes into the group composition, we see to it that the new colleagues are brought into our practical assistance arrangement.

In the past, we have worked with the International Metalworkers' Confederation to set up meetings of union representatives from VW's production plants worldwide. In the last three years, one of the EWC meetings (there are two a year) has been open to representatives from Brazil, Argentina, Mexico and South Africa. That is what we call our world conference. In 1998, we set up a world

Discussion topics

With the globalization of the economy, the pace of restructuring among large groups has quickened. The EU enlargement process has added momentum to the negotiations on applicant countries' taking over the *acquis communautaire* (established body of Community laws and regulations). How are European Works Councils addressing the issues raised by these facts and challenges?

How EWCs are adjusting to changing company or group structures

- How and why integrate subsidiaries not covered by the legislation?
- Why are some EWCs jumping the gun on CEEC membership? What status do representatives from these countries have?
- What is the composition of the EWC for equally-owned joint ventures?
- In the event of concentration, should the EWCs be merged or left separate?
- Does the composition of the EWC need changing to accommodate the impacts of the globalizing economy on European groups?

Means

- Should procedures be put in place to inform entities in non-EU countries, and if so how?
- Should new or renegotiated agreements extend the composition of the EWC for strategic, economic, social, cultural or identity reasons? If so, how and when?
- How can appropriate information and consultation on changes in the group composition be ensured, and the necessary adjustments to the EWC be worked out between management and labour?

works council run on the same lines as the European Works Council. At the next meeting of the world works council, we are due to sign an agreement with the VW board of directors incorporating all the fundamental elements of the EWC.

Obviously, modern communication techniques help keep us in constant touch with the employees' representatives for every site worldwide.

Meetings of the European Works Council and world works council take place with the full board of directors. These meetings are also used to address strategic key issues about the running of the firm.

Florence FERRETI • Management, Crédit Lyonnais

The composition of Crédit Lyonnais is in the throes of a change which began several years ago and is set to go on over the next few years. The group expanded rapidly in the 80s-90s (...) and by the early 90s (...) was on the brink of financial ruin. This led to a recovery package being drawn up with the European Commission. The Commission stipulated that the recovery package would involve Crédit Lyonnais selling off many of its entities, especially in Europe. The European Works Council set up under an article 13 agreement, represented a good many countries, and found itself decimated virtually overnight. When the agreement expired in 1998, we had to decide how to match up the much-reduced composition of the European group with the European Works Council, which seemed like it might be on the way out. The fact is that Crédit Lyonnais subsidiaries were sold off in many countries, and there may be more to come. (...).

We put it to our partners that we should negotiate an agreement to prevent the EWC being watered down, in that by having a threshold of 100 employees (rather than the 150 provided in the directive) we would have only two or three countries affected instead of the 7 or 8 that would otherwise have been hit. So the situation should not add to Crédit Lyonnais' existing problems. But nor should we turn our back on the employees still in the group composition by saying "you are no longer represented in the European Works Council". We carried out a major revamp of the agreement then in force and merged two Crédit Lyonnais bodies - namely the European Works Council and the French group council. (...).

Because the composition of both had been drastically reduced, we wanted to combine them into a single body, so that instead of two small moribund bodies we had a reconstructed body capable of giving impetus and momentum to the group's negotiation French and European negotiations. (...). The agreement merging the two bodies introduces elements of flexibility so as to feed through new changes in the composition both upwards and downwards. (...).

We lowered the thresholds for representation on the European Works Council from the previous minimum of 100 employees. Obviously, there are many countries which now have fewer than 100 employees, but bear in mind that Crédit Lyonnais has at least one branch in almost every country in the world. So, we settled on a threshold of 50, in line with the figure for representation for the French subsidiaries on the group works council. (...). We now have a council with 10 members for the parent company; this figure will not change because we do not want the parent company - which is huge compared to the subsidiaries - to dominate all the small subsidiaries, which are contracting. In point of fact, the French and foreign subsidiaries are so over-represented compared to the parent company as to be almost on an equal footing in the European Works Council. (...). The current agreement provides for a 30-member European Works Council. We know that more businesses will have to be sold, and so the number will drop. In Germany, for example, we have over

4 000 employees, but the subsidiary which employs 3 600 of them may be going to be sold. So, Germany may lose three representatives overnight. The new agreement is being road-tested for the moment with our French union representatives and a European industry federation, the FIET. (...). By merging the two bodies, we aimed to show that far from abandoning the EWC, we intended to breathe new life into it. To put that new impetus into practice, we have given the employee representatives additional new resources with extra time off and allowing the EWC's permanent secretary to go around all the subsidiaries. (...).

We have set up a liaison office with senior management, which is entirely new, and to keep the executive committee adapted to ongoing changes in the group's composition, the European Works Council decides at each meeting which foreign representatives will sit on the select committee.

EUROPEAN WORKS COUNCILS : WHAT IS THE ADDED VALUE ?



Franco Bisegna • General Secretary of the European Industry Federation for Chemical and Energy workers

I find the term "value added" a bit ambiguous when used in reference to European Works Councils. I would say that European Works Councils are a challenge for European trade unions and employers. Firstly, they are a cultural challenge: sitting representatives from different cultures and with different traditions regarding industrial relations around the same table, is not easy. Anyway, all of us still have a lot to learn.

The first thing I would like to mention is that the negotiation of agreements has allowed us to become players in the construction of a social Europe, being recognised as a player by the major companies, both within the companies themselves and at sectoral level. In the chemical and energy sector, we have 170 European Works Councils which amount to 90% of the major groups concerned. There still remain 50 or 60 agreements to be concluded in the smaller groups. Right now though, follow-up and coordination are our main issues – the use of European Works Councils within a European and national trade union perspective.

European Works Councils are only an additional stage in the construction of rights to information and consultation, which complement existing national rights and structures. I would also add that they were a logical step within the construction of Europe, that is to say, within a legal, economic and social context which is unique in the world. Of course, this obliges trade union organisations at national level to rethink their methods of working and to find new types of organisation and new forms of coordination among themselves.

I think that European Works Councils are also valuable for companies. They provide an opportunity to be heard, to exchange views and even lead to negotiation in the longer term, with qualified correspondents. They bring points of view which are by nature different from those obtained by the usual internal channels, to the attention of group management. It is vital to view communication as a never-ending process. We are always on the look-out for ways of improving communication at European Works Council, trade union organisation and company level. It is a continuous learning process.

It should be noted that we have succeeded in establishing European Works Councils within a relatively short period of time, three years, which have been marked by a number of restructurations and changes within sectors and companies. We would have expected numerous conflicts to arise. And they did! But we also managed to resolve certain situations with more transparency, thanks to European Works Councils.



Renate Horning Draus • Representative of UNICE

At the start of the conference, Jean Lapeyre joked that UNICE had been vigorously opposed to the directive and that today we almost seemed enthusiastic because everything was going without a hitch. I feel that I must rectify this because it is not quite correct. UNICE has always been in favour of information and consultation of workers, but against a draft which was aimed at a standard, centralised solution, an imposed model which did not take into account the diversity of companies, the diversity of their structures and their culture.

Today, we have a text which is better suited to companies because UNICE managed to obtain a more open model, adapted to the various situations in companies. In particular, there is now freedom to negotiate centralised models as well as decentralised ones, or combined models on information and consultation to employees. The provisions of the annex only apply if the parties have not reached agreement after three years, which offers the possibility of agreeing on an adapted solution. So, we have succeeded in obtaining something other than a standard, centralised structure. The experiences described here clearly show that within the groups with complex structures, you cannot have a central authority and that there needs to be room for the possibility to create different structures.

A second important aspect for companies was article 13 of the directive, an article which allowed them to negotiate agreements with the aid of less complicated and heavy procedures than those foreseen by article 5 of the directive.

From this point of view, it is clear that if the majority of the agreements had been concluded on the basis of article 13 it is because the provisions of the directive are too heavy and too bureaucratic. Finally, UNICE obtained the right for the representatives of the European Works Council to be company employees rather than external trade union functionaries. This is particularly important for the realisation of the end purpose of the directive which aims to improve information and consultation of the workers concerned.

Franco Bisegna is right when he says that information and consultation is not a procedure which you can introduce quickly. Time is needed because of obstacles such as the language barrier and cultural differences. Companies need to be given the time to experiment.

As for the future, I would make two remarks:

- Information and consultation are not being brought in to uncharted territory. On the contrary, there are numerous complex national procedures and national bodies. Defining the European and transnational role of the new authority is therefore very important to avoid conflict and overlapping. If not, information and consultation cannot become a reality. It is perfectly clear from this point of

view that questions concerning wages which are determined nationally, do not come under this authority.

- Company structures are becoming more and more complex, something which has to be increasingly taken into account. Concerning communication with the workers, flexible, adapted and decentralised forms need to be found. Companies are interested in an effective form of communication with the workers and request that decentralised structures are maintained. Their numbers are even likely to increase. Companies must not have their hands tied.



Luc Triangle • President of the task-force on European Works Councils of the European Metalworkers' Federation – EMF - CES

There are 600 companies involved. What is EMF's analysis of the situation today? 197 agreements have been concluded and we are in the process of negotiating 70 others ; this involves 60% of workers in the metallurgy sector. For us, there is absolutely no doubt that the EWC is an important body for companies as much as for the workers and I am particularly pleased to hear employers state that cost is not a problem.

On the question of the added value of this body, I see a number of elements in response to this:

- First of all, workers' representatives finally have the opportunity to contact each other and meet up at European level, something which was not possible five or ten years ago. The employers did not allow it. It is notably thanks to European Works Councils that this is possible, and it is paid for by companies. For this reason alone, the directive is very important for workers and trade unions. It gives the structural possibility to contact other workers in different countries.

• Another element is that companies have been active at international level for a long time. Today, thanks to the directive, workers' representatives can meet with high-level European management. This was possible for some companies before the directive but not for everyone. We note that when a representative comes back from a meeting of a European Works Council, he has more information about the company and its strategy than local management which by the way, then ask him to explain what he has learned. These meetings are thus equally positive for local management.

- Five or ten years ago, international work was a fact of life for company heads and trade union organisations. Today, finally, with European Works Councils, international trade union work is also becoming a fact of life for "shopstewards", which EMF sees as the right level to deal with these issues.

• For a long time, delegates in their own countries were confronted with statistics which showed that their branch of the company was not as good as the others, that it cost more, etc. ... without being able to check somehow if what they were being told was true or false. Now, they have the means to check what they are told in comparison with colleagues from other countries.

- A few years ago, it was quite possible to meet Human Resources Directors at the head of groups who had not met the employees for a number of years. Now that we have European Works Councils, this situation is no longer possible, the directors have a forum which allows them to meet the wor-

kers. The European Works Council has in some ways imposed social dialogue. The representatives must hold dialogue with representatives from other countries. It is not always easy but they are obliged to do it.

- The last element which I would like to mention is that when a few years ago we talked to workers about Europe, they replied "Europe, OK. But it's nothing concrete" Today, we finally have something to show them so they can see what a Social Europe can be. Until now, Europe had been classed in financial and economic terms alone.

Overall, we have already come a long way but we have to go further still. The European Works Council needs to have a place in the company's decision-making process. If it is given its rightful place at this level, it will have the future it deserves.



Régina Matthijsen Sebbel • Human Resources Manager at Phillips - UNICE

The evolution of our industrial relations system is based on history which now dates back 60 years. The process developed gradually and, very often, legislation came along after practice, once the practice was well-established. I am talking here, of course of the national framework of industrial relations.

As far as European Works Councils are concerned, we have two years of history at our fingertips. As we have heard in the course of the conference, most of the time, the experiments which have been done have succeeded. If we separate the various ideologies from the pious wishes of others, we have to be realistic and practical. The companies have adapted themselves to the new situation, we are at the start of a transition which will have a major impact for the countries and companies concerned. It is something completely new which is being drawn up in Europe and even throughout the world. We have fifteen cultures, we speak ten to twelve different languages. Every company will have to find its own way depending on its needs and its own culture as each company is different. The personal accounts and speeches given here are a good indication of this diversity.

The process can be compared to a small, fragile plant. It must not be disturbed or hindered by additional legislation, legislation which remains static. This would suffocate the creativity of staff and company representatives. The European Works Council allows direct dialogue between management and employees on transnational questions and not on questions which are and which should remain at national level. But it is important to take the time to learn about dialogue at this level. No-one should think this is easy ; the skills will come gradually and it is not possible to accelerate the process.

Another added value of information and consultation is that this allows one to open industrial relations in some countries, thus improving participation, the level of participation. But this evolves as a national process. It is something which begins at grass-roots level which is why it is more convincing in the eyes of those involved. EWCs can, in this way have a considerable long term influence on industrial relations in Europe. But, again, it's a process which will essentially be based on practice, which should remain dynamic, creative and not be suffocated by external regulations or the

wish to impose a single model.

We must never forget that Europe is a unit within diversity and that it is necessary to endeavour to have consensus and to keep an open attitude. The experiences which have been had up until now make me optimistic, but to conclude, two years is much too short.



Paul Windley • President of the Conseil National du Travail
(National Labour Council) - Belgium

I am truly glad to see a European conference where the participants are workers' and employers' representatives and not European functionaires. As someone has already said, but I repeat, European Works Councils have brought in around 15 000 workers' representatives involved in an unprecedented process. These are the first citizens to discover what it is to live in Europe. 10 years ago, such a situation would have been a dream for some, and a nightmare for others.

Ten years or so ago, I used to participate in meetings with a few labour ministers from EU countries. Some of them were afraid. They thought that with the arrival of monetary union and the internal market, political power would be out of their grasp. It was this fear which lead them to become interested in an instrument which would allow citizens to cooperate in the construction of Europe. They were afraid, but they were also convinced that information and consultation were a fundamental means to involve workers in the evolution of these changes. For fifty years, each of our countries had made progress in this sense, by very different methods. But the economic developments made these national acquis increasingly less effective. They needed to move up to another level.

These ministers asked us to set up a small group, which I was part of, to work on this question. There were proposals from the Commission. The ministers told us that we should use these as a basis to work from but taking special care to get away from national traditions. The objective was to create an obligation for dialogue, at international level and this goal had to be compulsory and leave things open as concerns measures. Within three or four months, we had found the solution. Since then, we have seen many changes. At the beginning, we were met with suspicion, even hostility from both sides. In five years, we have reached a certain level of trust. Dialogue has come about slowly between trade union representatives and management, but also between Human Resources Managers from various levels within the group. Companies have gone from the idea of unilateral information to real dialogue. When you see results like these, it is impossible to talk about " social tourism ".

I think that we are now at the start of things but that in the last five years, developments have happened fast ; European Works Councils are already well established and effective. I think that it is an asset for our democracy, which is founded on mutual respect on both sides with their respective different interests but who can, together, debate, discuss and find solutions.

WHAT ABOUT THE FUTURE ?



Odile Quintin • Deputy Director General - DGV – European Commission

At the close of this conference, which all the participants have declared useful and positive, I would like to make a few remarks and outline some viewpoints.

Firstly this is the first time in the framework of follow-up to the directive that we have been able to bring together all the actors affected by the directive. This is an extremely positive event, not just in order to reflect on the legal aspects which present themselves but to proceed to a thorough evaluation. Taking into account what had already been said, five years after the adoption of the directive, two and a half years after its coming into force, I think that we have before us not a half-empty or half-full glass, but a glass which is two-thirds full. Generally, the evaluation is a positive one but there are of course still areas for improvement.

Secondly, the negotiation movement which had developed shows that even if this sets a few teeth on edge, a framework agreement which is flexible can have a positive, stimulating effect on the social partners. Today, there are between 550 and 600 European Works Councils, 450 by voluntary agreement. 110 concluded after the entering into force of the directive. The movement was very powerful at the beginning but slowed down afterwards. There are still about two-thirds of companies concerned which are not covered, but only 40% of workers affected ; we are referring to the smaller companies and groups.

Thirdly, about the functioning of the European Works Councils. There are some positive elements and there are still some points which cause problems, as you pointed out. There is the diversity of cultures and traditions, including the difficult question of languages. At the same time, the EWGs are extraordinary places to understand and overcome these cultural differences, even if this takes a lot of time. Another difficulty is the fact that consultation does not always live up to expectations.

I would also add a fourth remark, the transposition of the directive is totally exemplary. This is down to the fact that the Member States did a lot of work between them and the social partners were involved in this. Besides, today we do not have any litigation cases which proves that the dialogue was carried out in an appropriate manner.

What are the current prospects?

In a few months, the Commission will adopt the report which evaluated the transposition of the directive. We will pursue dialogue, in light of this conference, with the social partners and the Member States. Elsewhere, two draft directives, the one on the European Company for which we hope to make significant advances over the next few months, and the one relating to information and consultation at national level are on the Council of Europe's debating table.

It is clear that these three elements should be considered in a coherent way as it is necessary to have a clear, global vision on these questions to avoid working difficulties.



Enzo Avanzi • President of the Social Dialogue Committee of CEEP

CEEP, as you know, represents major companies on the one hand and on the other, smaller companies which ensure the provision of service for regional communities. This situation gives us a point of view on the complexity of social dialogue and the European Works Council.

Concerning the work of this conference, I believe that the main point is culture. Primarily company culture, and secondly the partners' culture.

Today's company culture is affected by uncertainties and fears, arising from the restructuring which is in process. The question of information is at the crux of this situation, but we are in an uncertain and complex domain, which is nevertheless at the heart of company life. Information is a crucial item which we think about only in terms of "insider" problems, aimed at heavy usage by the company. But it is also necessary in dialogue, and for the transparency of markets.

This question may be resolved, by becoming familiar with the procedures, but to do this, you have to recognise that it is not the selective, out of date, sometimes even false information that matters, but rather, understanding the mechanisms.

It can sometimes be impossible to give certain items of information, simply because it is not available inside the company, but outside it. It is the markets which dictate the company's activities. There are of course also cases where the company receives a draft or possesses data but this is not always the case.

Today, we tend to consider that company management is based solely around restructuring. It is necessary to qualify this analysis, even if it is basically true.

These are the procedures which must be explained and understood, even if this obliges us to deal with complications. We should not be afraid of complications because it is sometimes by knowing how to recognise and understand them that we find solutions. Anyway, this also goes equally for workers' information and other actors: investors, users, public authorities and financial intermediaries.

So, as far as information and consultation are concerned, we have a long way to go and there are no shortcuts. This is why I think that the conclusions which I proposed, five years ago during a colloquium which was held during the adoption of the directive, still stand. I said then that it was necessary for all those involved to act with extreme prudence.

Prudence on the level of employees, who must understand that information is a commodity which involves a number of other actors. Prudence on the level of judges, who must understand the danger of imposing laws, in whatever direction. Prudence among the social partners who should learn which are the best uses of information, whilst being convinced that information is an essential ingredient for social dialogue and for company competitiveness.



Willy Buschak • Confederal Secretary of the European Trade Union Confederation (ETUC).

600 participants, members of European Works Councils, experts from the ETUC and from employers' side, representatives from governments of the EU-member states, from the Commission: to bring them all together for these two days and a half was far from being an easy job. But it was more than worth the trouble. We have all witnessed a serious debate, very much focused on practical experiences made in European Works Councils, determined by the spirit of social partnership. It was encouraging to see all the efforts to come to a mutual understanding. European Works Councils are a forum for social dialogue in european-wide undertakings. This conference was a forum for practitioners of that social dialogue. Maybe we should see the conference as a beginning, as starting point for a tradition. It is certainly an attractive idea to bring from time to time all the major actors of European Works Councils together, to have a joint reflection on the practice, what has to be improved and on what is needed in order to improve practical work.

Many reassuring remarks were made in the workshops. A lot of encouraging stories were told. I heard one employer saying that his company in the beginning was very much against a select committee. They thought that a select committee would just be unnecessary, waste of time and of money. After two years time, however, his company realised how necessary and even indispensable a select committee is for good communication between the European Works Council and central management. Consequently, the agreement was rectified. For me it is perhaps one of the best stories I heard during this conference, because the story shows that European Works Councils can indeed be a forum for dialogue, for mutual understanding and mutual learning.

Quite encouraging as well, that many of the debates that took place before the adoption of the Directive pale into insignificance. Take costs for example. We had a workshop on costs and we had a debate on costs during the plenary of the last day. I have found it particularly interesting, how many management representatives stood up and talked on the benefits they have from European Works Councils. Indeed, one aspect has often been overlooked. For a very modest price, management receives the advice of the best possible consultants you can imagine, the employees of the undertaking. European Works Councils are anything but an obstacle to competition. They represent the option for a different kind of change, which is based on social dialogue and produces the better results in the long term.

The conference was on practical experiences in European Works Councils, not on the review of the EWC-Directive. What is necessary, in order to improve the practical work in European Works Councils, what do members of European Works Councils need in order to be more efficient, this was nevertheless the keynote of all the debates. We have accumulated a lot of practical experience in the meantime. More than 500 European Works Councils have been created. Negotiations are going on. Almost every week we have new agreements on European Works Councils. Seeing the text of the EWC-directive against this background, comparing the directive with practical experiences, re-reading the directive in the light of all the experience made so far, is more than natural.

The purpose of the directive is to improve the right to information and to consultation of employees in Community-scale undertakings and groups of undertakings. The negotiators can make their choice: either they set up a European Works Council or a procedure for informing and consulting

employees. In nearly all of the more than 500 negotiations so far, a European Works Council or a similar body was created. Sometimes the name is different, we have Consultation Committees, we have Councils, and we have Communication Fora. But in an all the cases, a body with real people, permitting for physical meetings between workers representatives and management was created. It seems that in practice, nobody wants the procedure for information and consultation, at least as an alternative to European Works Councils. Maybe that the reference to the procedure could disappear from the directive and nobody would miss anything.

In 1994, when the EWC-Directive was adopted, there were less than 40 agreements. Negotiations developed rather sluggishly. After the adoption of the directive, we have seen a real wave of negotiations, with more than 300 agreements concluded in 1996 only. This simple correlation tells already a lot about the important role the directive had in bringing employers to the negotiating table.

Five years later, we have more than 500 agreements. We are certainly far from having negotiated agreements in all the 1.500 undertakings covered by the Directive. But there is plenty of experience, on negotiations, on information and consultation, on what a European Works Council needs in order to work effectively.

Why are there not more agreements? To set up a Special Negotiation Body sometimes comes close to squaring a circle. The EWC is there to bring workers into contact. But in order to get one, they have to have some contacts already, otherwise they won't be able to present the demand to set up a Special Negotiating Body. European Industry Federations often co-ordinate the presentation of the demand to set up an SNB, but they have no official role in the Directive. Quite a lot of companies went in 1997 and 1998 through restructuring and mergers. Unfortunately they preferred to do this without a European Works Council and thereby missed a unique opportunity.

Above all, we cannot really compare the exceptional period between 1994 and 1996 with the period we are now in. There was a deadline, 22 September 1996, some sort of magic date, which accelerated negotiations. The ETUC is very glad that such a lot of companies responded to its appeal to negotiate article 13-agreements. Now we have normal times, agreements are entering at a speed, that is more normal, of sometimes 5-6 per week, sometimes more, but sometimes less.

Our aim should be to make negotiations as smooth and as easy as possible for all the parties concerned. European Industry Federations, the sectorial federations affiliated to the ETUC, are doing the main job in co-ordinating and facilitating negotiations. In over three quarters of all voluntary negotiations on EWC's, European Industry Federations have played a co-ordinating role. In many cases they have even signed agreements. Negotiations in according with article 5 and 6 of the Directive are not different. Generally speaking, contact is established between central management and the European Industry Federation right from their outset. Legislation should take account of these facts. European Industry Federations should at least be mentioned in the Directive.

The general objective of the EWC-Directive is to improve the right to information and consultation of employees in community-scale undertakings. The EWC is just a tool to realise this end. European Works Councils need contact with employees and their representatives in the member states. Members of European Works Councils must be in close contact with them. The EWC depends very much on co-operation and close contact with employees and their representatives in the member

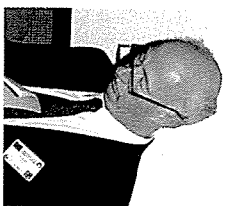
states in order to be able to hold the dialogue with the management of the undertaking. The need to see the EWC as one element in a communication system comprising all the subsidiaries of a given undertaking was underlined many times during this conference. The consequence is obvious. The EWC cannot be a withdrawn body. Discussion with the employees and their representatives in the member states implies in turn the right to access to the establishments and undertakings affected by decisions that are prepared. For many undertakings, this has become evident, as we have heard in the workshops. For many others, unfortunately not yet. The ETUC will therefore take this point up in the debate on the review of the directive.

The general objective of the EWC-Directive is to improve the right to information and consultation of employees in community-scale undertakings. Information, consultation, exchange of views and dialogue are the keywords of the directive. Consultation, an exchange of views and dialogue can only occur when EWC-members are able to influence planning, when decisions are not yet taken. The aim of the directive is to ensure that the point of views of EWC members are heard, are taken into account and are included in the decision making process. Dialogue takes place between partners, on topics that are not yet decided, on plans that can still be changed. This seems to be self-evident, but is unfortunately not the case. It is perhaps the most painful experience the ETUC has made. Renault-Milvooorde, not far away from this conference-place, is still in our minds and will remain there for many years to come. And we are not talking about an exception, about a unique case. Too often consultation does not take place and a unique opportunity to dialogue with the employee representatives is given away. In that case, we better change the directive. There are other encouraging cases, presented at this conference, which show us, that consultation can indeed be organised in the planning phase. The case studies presented in the workshops have underlined as well, that confidentiality is no hindering element for consultation in its true meaning.

Training was again and again presented during this conference as an outstanding need for EWC - members and for management. We have both to learn. Many agreements include provisions on training. So do some of the national laws transposing the directive. And so should do the directive.

Functioning structures for information and consultation at national level are of considerable help for European Works Councils. The proposed directive on a general framework for information and consultation of employees would thus be of tremendous help to increase the efficiency of EWCs.

European Works Councils constitute a major opportunity for social dialogue in european-wide companies. Once the preliminary stage has passed and mutual trust was established, once the preconditions for dialogue have been fulfilled, then a dialogue of this kind can be initiated. Then it will be possible to deal with many topics of common interest in European Works Councils.



Dirk Hudig • General Secretary of the Union of Industry and Employers Confederation of Europe (UNICE)

Before addressing the issue of the future and prospects for the development, I would like to start by giving my understanding of the very important work of these last two days.

• The exchanges of experience we had during the workshops show the great diversity of corporate situations. Even if we can identify certain concerns or challenges common to most of them, it is quite obvious that no one had exactly the same answer. All companies (from the perspective of both the management and the workers' representatives) have tried to find solutions that best suit their respective needs. There is obviously no single solution that would fit all situations.

• Information and consultation is a purely internal company issue and should be treated as such. Companies' managers have shown, during these two days, that they are fully conscious of the benefits of good communication with the workforce. One lesson that we should draw from these experiences is that the social partners at company level should not have outside ready-made solutions imposed on them. They are the ones who are best placed to define the best ways of dealing with transnational information and consultation, in a manner that will prejudice neither the duties and responsibilities of both local management and employee representatives, nor the capacity of companies to adapt rapidly to changes.

• With regard to the establishment of European Works Councils, or any other form of transnational information and consultation of employees, we are in a learning curve. Even where problems can be identified, one cannot give ready-made solutions. Both parties at company level have to find their own way to sort the problems out. In this learning process, exchanges of experience, like the ones we had yesterday play a particularly important role. But the most important is the development of experience within the companies themselves.

Having said that, I would like to turn to a more political issue and address the question of the need to revise the directive of 22 September 1994, or not.

There could be certain temptations to ask for a revision of the directive. We know ETUC's arguments to that end.

HOWEVER,

UNICE has the firm conviction that any formal modification of the directive would be PREMATURE. And this conviction is reinforced by what we have learned from this conference.

1. First of all, the directive is not yet fully transposed in all the member states. We heard from the Commission that formal proceedings have been initiated. Furthermore, the deadline for implementation in the UK is 15 December of this year. It would therefore be quite strange to start revision of a text which is not yet fully in force.

2. Concerning the thresholds, UNICE would have serious concerns if the Commission was intending to lower the present threshold of 1000 employees. This would mean application of the directive to "small multinational companies", for which both the difficulties and the costs arising from its appli-

cation would be relatively much greater. We all know that the direct costs are not proportional to the size of the company (translation, interpretation and travel requirements do not vary according to the size, but to the geographical aspects of the company).

Furthermore, before thinking of lowering the thresholds, careful attention should be paid to the situation of the companies close to the present 1000 employees threshold, and where neither management nor employee representatives have felt the need to launch an initiative. There are other routes, better adapted to their specific situation, for proper mechanisms of information and consultations to be developed in these companies.

3. A reduction of the negotiating period in companies would be detrimental to the smooth functioning of the directive. Indeed, the present 3 years period for negotiations before the application of the statutory provisions of the annex to the directive, is absolutely necessary to
 - give an incentive to the employee representatives to negotiate and to
 - allow social partners at company level enough time to find the solution best suited to their respective needs.

One cannot invoke the fact that many agreements have been negotiated in a shorter time frame (this is particularly the case for pre-directive agreements) to defend a reduction of the period. The conditions are now different and companies must be allowed enough time to set up these mechanisms.

4. Concerning ETUC's demands for modifications of the definitions of information and consultation, I would like to insist on the fact that these mechanisms have to be defined at company level, within the agreements. Going further than the existing definition would :

- limit the autonomy of the negotiating parties at company level, which is a fundamental principle of the directive
- increase considerably the risks of conflicts and of interference with national systems of information and consultation, which is precisely what social partners at company level are trying to avoid.

As a conclusion, I would like to go back to my introductory remarks and insist on the fact that we are in a learning process. Most of the mechanisms for transnational information and consultation developed at company level are quite recent, with regard to the innovative process established by the directive.

Therefore,

- It is certainly too early to have a proper evaluation of the concrete implementation of the directive to assess the need for a revision or otherwise for a revision of the directive.
- It is up to social partners, at company level, to make an assessment of the functioning of the systems they have put in place, and, if this is felt necessary, adapt them. Any modification imposed by the legislator would run the risk of being counter-productive.

The best role we can play in this process is to provide for good circulation of information and concrete exchanges of experience. This can be done on a joint basis, at the initiative of social partners, like it has been the case for this conference. It can also be done on a separate basis, and UNICE is thinking about the best ways to ensure this necessary exchange of experience between employers.