



## SPEAKING NOTES

### **ETUC CONFERENCE ON EUROPEAN WORKS COUNCILS 10 JUNE 2008**

#### **SPEAKING NOTES FOR JØRGEN RØNNEST ACTING DIRECTOR, SOCIAL AFFAIRS**

BUSINESSEUROPE supports and agrees with many of the objectives in the Commission consultation document dated February 20.

The directive establishing the European Works Councils provides a framework for a social dialogue on transnational questions between management and employees in more than 800 European companies.

The directive has been a success in the sense that EWCs have been created in many companies, but at the same time it has to be remembered that it has not been without problems and companies are still – in cooperation with employees and their representatives – working hard to further develop the function of EWCs in order to increase the return on the considerable effort put into the operation of works councils.

It is important to recognise that a very important factor explaining this success is the flexible framework of the directive.

In the first years after the directive was agreed by the Council of Ministers and the European Parliament, article 13 opened a window of opportunity for companies and their employees to establish EWC without applying all the obligations arising from the directive.

And in the following years agreement was reached with very few exceptions in the Special Negotiating Body on how to establish EWCs in companies.

The subsidiary requirements in the directive have acted as a benchmark against which agreements have been negotiated. Only a handful of companies have based their EWCs directly on the subsidiary requirements.

In order to add value both for companies and their employees the EWC must respect the structure and the traditions and the values of individual companies. Consequently we find a great variety of different EWCs; each suited to the specific circumstances of each company.

But still many companies express the view that more has to be done to develop a truly European social dialogue.



The revision has to be based on the good practice established over the last ten or more years

The revision of the directive has to respect the existing diversity and must not interfere in developments under way in many works councils.

It is important to avoid simplistic and centralised solutions – bearing in mind that real dialogue is demanding and difficult and must both respect the interest of companies facing ever increasing competition and respect the legitimate interest of employees to be involved.

In order to improve the functioning of the EWC it is crucial to note that the purpose of the directive is to involve employees and to develop a social dialogue at company level. If this is to be achieved and not to become a formality emptied of any real substance it requires that both management and employee representatives benefit from this dialogue.

And this cannot be made a reality by a political dictate without involving business and unions in the revision process.

BUSINESSEUROPE regrets that the Social Partners have handed this – for them – central dossier over to the Commission, the Council and the European Parliament.

I believe we could have reached agreement on a revision that could have contributed to a further development of the social dialogue that are taking place in companies all over Europe – and such an agreement would also have strengthened the Social Dialogue at European level.

We have instead left it to the politicians to shape the future rules for cooperation between companies and their employees.

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