



SPEECH

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8 September 2008

COUNCIL WORKING GROUP ON SOCIAL AFFAIRS

ADDRESS BY PHILIPPE DE BUCK SECRETARY GENERAL OF BUSINESSEUROPE

Monday 8 September 2008 – 11h00 – “European Works Council proposal”

I would like to thank the French presidency for this opportunity to explain the reasons – from the point of view of business – why we accepted to produce a joint advice to the Council and the European Parliament on European Works Council.

After the Commission had announced its intention to initiate a revision of the existing directive on European Works Councils, BUSINESSEUROPE decided to take an active part in the revision process rather than try to oppose a revision.

The idea of a revision was certainly not a demand made by BUSINESSEUROPE, but I thought that it was our duty to start on basis of good faith this negotiation. After all, information and consultation of employees in companies is a core subject for the social dialogue at all levels of business. Both companies and their representatives wanted to contribute to the revision process.

Based on these arguments, we got a clear mandate from the members of BUSINESSEUROPE in April to negotiate an agreement with the Trade Unions based on article 138 of the Treaty.

For reasons which are needless to be repeated here, this did not happen and the Commission presented a recast directive proposal on 2 July.

This was discussed at the informal meeting of your Council in Chantilly on 11 July. The Presidency asked whether it would be possible for the social partners to agree on a common position to serve as advice to both the Member States in the Council and to the European Parliament.

From the debate that followed, we understood that this initiative was welcomed by the Council, by the European Commission represented by Commissioner Spidla as well as by the European Parliament represented by Jan Andersson, Chairman of the Committee for Employment and Social affairs. ETUC and BUSINESSEUROPE with

assistance from the President of the Council, Minister Xavier Bertrand, met several times over the summer and finally a week ago was able to send a joint letter together with my colleagues from CEEP and UEAPME who had joined the common position.

In the letter we recommend the revision to be based on the Commission's proposal and suggest only a few amendments agreed by the social partners.

Even if most of the proposed items goes into what the Trade Unions were asking for, we find the Commission's proposal as balanced as one can expect. We hope that the Council and the European Parliament will refrain from upsetting this balance and by doing so, entering into a fierce political discussion. This would have as consequence long delays and would leave companies and their workers in uncertainties.

From a business perspective several years of legal and political uncertainty about the future of the EWC will be very damaging to the development of the social dialogue in existing EWCs.

On the contrary, basing the revision on the joint advice will certainly mean that the revision process can be speeded up and that the ownership felt by the social partners will increase and will stimulate the development of the social dialogue at company level.

We are prepared to go in further details on this advice. But I want to touch briefly on the changes to the Commission text proposed by the social partners which are:

- A more precise definition (in art 2 (f) and (g)) of "information" and "consultation"
- A recognition (in art 5.4.3) of the possibility of European trade union representatives to play a role (as experts) in the special negotiating body
- A clarification (in art 10.1) of the competences of the EWC members when collectively representing the interests of employees in order to avoid any ambiguity
- A clarification (in art 10.4) on training of members of the special negotiating body (ENB) and EWC's
- An amendment (to art 12.3) eliminating the requirement to start the processes of information and consultation in parallel in EWC's and national bodies because we agreed on the practical impossibility to achieve this. We accept of course that the process will have to be managed at national and European level
- And finally an amendment (to art 13) creating a window of opportunity for a two year period for companies to negotiate voluntary agreement without applying detailed provisions of the directive – just as companies were able to do in a two-year period after entry into force of the directive. We think that offering this new window, we will create a positive movement creating European Works Councils in more companies.

We do hope that your Council will be able to follow our advice and thank you for your attention.

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