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Editor : Harald Wiedenhofer

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10 Years of European Works Councils

On the occasion of the coming into force of the guidelines for the foundation of European Works Councils (EWCs) on 22 September 1996, exactly 10 years ago, Harald Wiedenhofer, the then EFFAT General Secretary, pointed out that many employers' associations and individual firms wanted to prevent the adoption of the guidelines by any means possible. In the intervening time many undertakings have learned to live with the EWCs. For works councils and unions the EWC, although not perfect, is the only forum at European level in which questions of managerial policy can be mutually discussed across national boundaries. In many EWCs success has been achieved in arranging socially viable restructuring measures for affected employees through agreements with their management. Positive examples should not, however, obstruct the view that, just as before, many firms are refusing to carry on a genuine dialogue with workers' representatives or to follow correctly the prescribed information and consultation procedures, or even to cooperate constructively with the unions in an EWC. In many planned restructuring exercises employees are still being presented with a *fait accompli*, so that the designated consultation procedures are reduced to a farce.

Additionally, more than two thirds of all undertakings have as yet actually refused to set up an EWC. These figures alone show that even in the EU a functioning and fair social dialogue within most firms is anything other than a foregone conclusion. There is much talk about 'partnership' but it is only seldom put into practice.

Firms employ thousands of commercial advisers and carry out innumerable projects: everywhere they want to be 'best in class' – only not in cooperation with EWCs, as up until now they have as a rule refused to take one step beyond what is legally prescribed. For this reason amendment of the guidelines is more than overdue.

Through work carried out in the EWCs it has become clearer than ever that many firms have anything but a really convincing strategy for their future. The fact that in the solution of major problems and challenges nothing occurs to them other than the destruction of jobs and the dismissal of employees is repeated evidence of incapacity in top management. It has been and remains a scandal that on the one hand any real influence over managerial policy is denied to employees, whilst on the other they pay for mismanagement and crass management mistakes through the loss of their jobs.

While many works councils provide continuity within undertakings, in numerous firms top managers come and go, often in a two-year cycle, and with them a variety of new management methods such as Lean Management, Shared Service Centres, Outsourcing etc. These methods are sold as the new doctrine of salvation for every problem, although in many other companies they have already been proved completely unsuitable for such a purpose.

Regarding the future of EWCs, it is already clear that their role will change due to the massive and revolutionary transformations in company structures. Up until now European management has willingly shirked its responsibility and hidden behind national management (so-called 'end-markets responsibility', franchise system, etc). The EWC will not in future replace national information and consultation structures. In view, however, of the fact that in many firms responsibilities are now being centralised and real European, or even global, competences and management structures are being created, the question arises as to whether it still makes sense for national works councils to discuss at national level issues which actually fall within the area of responsibility of European management. And is it still effective to have the same discussions in the 15 or 20 different

countries in which a firm a firm may operate if these can be held at European level through an EWC?

In future we must use EWCs for the representation of employees' interests much more than we have so far, because in the final analysis our work with the guidelines will be measured by how far it really makes a contribution to employees' work and employment conditions.