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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels,

**CITIZENS' SUMMARY**

**relating to the proposal for a**

**DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (text with EEA relevance) (recast)**

**(presented by the Commission)**

## **REVISION OF LEGISLATION ON EUROPEAN WORKS COUNCILS**

### **European Works Councils must be able to play their role to the full**

Employees of undertakings which have more than 1 000 workers in Europe and are located in different countries are entitled to be represented by a joint body: the European Works Council. As a result, 15 million employees in more than 800 undertakings can now be informed and express their opinions on developments and decisions which are likely to affect their jobs and working conditions.

However, European Works Councils cannot always play their role to the full, especially in the event of restructuring, and the rules which lay down their competences, composition and procedures, among other things, are not clear.

### **The proposal amends legislation from 1994**

The 1994 Directive on European Works Councils therefore needs to be adapted, and the Commission has consulted the European social partners on the subject. It would have been preferable for the revision to be negotiated between them, but, as this proved impossible, the Commission has decided to present a proposal. The proposal clarifies what is meant by 'informing' and 'consulting' employee representatives and states that these actions must take place at such time, in such fashion and with such content as are appropriate.

It states that European Works Councils must deal with subjects which affect the undertaking as a whole or at least two countries and that the links between Works Councils and national representative bodies must be organised. If this is not the case, the different bodies must be informed at the same time. The proposal states that employees must be provided with all the information they need in order to be able to request the establishing of a European Works Council. It also clarifies the composition of the employees' group which negotiates with the central management, and the way in which negotiations for the purpose of establishing the Works Council should take place. It amends the rules which apply when negotiations fail, stating that there should be regular coordination with the European Works Council, which also has the right to receive a reasoned response to any opinion expressed.

It stipulates that in the event of a merger or significant acquisition, European Works Councils must be adapted either by applying what is contained in the relevant agreements or by further negotiation. Apart from these cases, the agreements in force remain valid.

Finally, the proposal states that employees' representatives must report to the employees they represent, that they are entitled to training, and that they can ask trade union organisations for assistance.

### **Employees and employers are particularly concerned**

The proposal will have advantages both for employees in large multinational undertakings and for employers. The latter will be able to benefit from a climate in their undertaking which is more conducive to changes.

### **Next stages**

Only the European Union can adapt a directive on such a subject of a transnational nature.

The Commission's proposal is being submitted to the European Parliament and the Council, which will discuss it and can decide to adopt the provisions it contains by the codecision procedure. Once adopted, these provisions must be transposed into the law of the Member States before they can become generally applicable, a process which takes two years. The Commission hopes that this process will take place as quickly as possible.