

industriAll 16/2013

Company Policy Committee Resolution

“Strengthening workers’ and trade union rights at European company level”

*(Document adopted by the 2nd Meeting of the industriAll Europe Executive Committee
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The financial and economic crisis, which has had a devastating impact on Europe’s industrial and manufacturing base, has hit many industrial companies hard. The collapse in industrial production has resulted in extensive restructuring - either through necessity or as an excuse – and this has severely impacted on workers and society.

Although temporary measures were introduced at the outset of the crisis by many countries/companies in order to maintain employment, these were unfortunately only partly successful. Consequently, many jobs have been destroyed and European unemployment rates continue to rise, reaching unprecedented levels in many countries.

Trade unions have been directly confronted with the consequences of the crisis within local and transnational companies. Their efforts to try to put forward European responses have not been made any easier by the poor coordination of anti-crisis measures pursued by the various European governments.

Many companies have used the crisis as an excuse to adopt and pursue employment policies aimed at creating a situation in which workers are played off against each other. This has resulted in a substantial increase in precarious work, the extensive use of subcontracting and massive employment insecurity. Certain practices deployed during the crisis are becoming the post-crisis model of management. This situation is deepening the feeling of insecurity about the future and threatens social cohesion by increasing inequalities.

Faced with the current situation, industriAll Europe’s Company Policy needs to adopt a more strategic approach in order to defend the interests and jobs of workers all over Europe and promote social democracy at the workplace. The objective of the industriAll Europe Company Policy Committee is to ensure that if companies make strategic decisions to reduce their workforce, or attack terms and condition of employment, they must do so in the face of a synchronised European trade union response. Thus European trade union coordination is of key-importance. While the current European industrial relations environment is not favourable to trade unions, it is imperative that industriAll Europe Company Policy strategically develops a coordinated approach by using all the opportunities, resources and legislation that are available. In particular, this Company Policy will focus on using the new Recast European Works Council Directive by pushing the boundaries of the new legislation in order to reclaim EWCs and to hold companies to account.

Company Policy is a core policy of industriAll European Trade Union. It is the link to over 500 major companies and their trade union representatives in all our industrial sectors. In addition, industriAll Europe Company Policy will also deal with the thousands of smaller companies by playing an active role in the development of company law in Europe.

1. Workers' involvement in multinational companies: a key element of the industriAll Europe strategy to defend workers' interests

The financial and economic crisis has highlighted the need for a new model of corporate governance, which provides workers with greater access to influence corporate strategy and prevents the excesses of financial capitalism that weaken long-term corporate development. IndustriAll Europe

Company Policy will continue to support and promote workers' involvement in companies by maximising the opportunities provided by information/consultation and participation rights. The Recast EWC Directive has provided an opportunity to ensure this objective is achieved, which we must utilise and maximise. Equally, the European Company Statute has put European participation rights on the agenda in some multinational companies.

European Works Councils: Using the full potential of the new Directive 2009/38/EC

Guiding and supporting new and existing EWCs are a core activity of industriAll Europe as they give access to our major industrial companies. The link between EWCs and the industriAll Europe general policies will be developed and enhanced.

IndustriAll Europe is committed to actively support the strengthening of information and consultation rights both at national and European levels. In particular, it is essential to develop the potential of EWCs and to ensure that information and consultation rights are exercised in a more co-ordinated fashion at European level if we want to increase our influence in multinational companies.

The adoption of the new EWC Directive has created opportunities to strengthen the powers and the effectiveness of EWCs. It creates new rights to have more influence over industrial and strategic decisions, to defend employment and to better anticipate change. IndustriAll Europe Company Policy will develop a comprehensive strategy to ensure that all new EWC negotiations fulfil the obligations of the Directive 2009/38/EC and that every existing EWC benefits from the improvements provided by the new Directive.

The new definitions for information and consultation and the clear prescription for linking national and European information and consultation processes are an opportunity to strengthen our influence on multinational corporate strategy and better anchor EWCs in the national system of workers' representation. With these new definitions, anticipation of change must become part of everyday business for EWCs and trade unions at European level.

Strengthening EWC coordination

The industriAll Europe coordinators are at the heart of the industriAll Europe policy to accompany and strengthen the trade union dimension of EWCs. Despite increasing recognition of the role they play, we acknowledge that their activity and efficiency need to be evaluated in order to serve as a guide for the development of the EWC and a driver of a genuine European approach. Together with affiliated organisations, industriAll Europe will continue to support the role of the industriAll Europe coordinators, through training sessions, dissemination of information related to EWC activities and general industriAll Europe policies

Further support will be given through the integration of existing databases.

Supporting and developing the functioning of EWCs via training

Training is a key tool for strengthening the role of EWCs. In this respect, the new right to training established by the Directive 2009/38/EC creates a new opportunity to support and develop the role of EWCs. IndustriAll Europe Company Policy will strive to develop a coherent and dynamic EWC training policy, which aims to make the best use of the new rights provided by the new Recast EWC Directive.

Further cooperation will be developed with specialized institutes such as the European Trade Union Institute and other trade union related institutions.

European Works Councils: a tool to stimulate social dialogue

IndustriAll Europe Company Policy will continue to put emphasis on developing initiatives aimed at giving a positive impetus to social dialogue within multinational companies. It will promote the good practices developed by EWCs, especially with regard to corporate social responsibility, health and safety, equal opportunities, vocational training, etc.

Promoting participation in company decision-making bodies

Participation in company decision-making bodies at both national and European levels is a tool to increase workers' influence on corporate governance and better defend their interests in companies.

As far as the European company statute is concerned, industriAll Europe will actively support the establishment of workers' participation in SEs. The Company Policy Committee (CPC) will deal with the co-ordination of Representative Bodies (RB) within the new SEs, in close co-operation with the industriAll Europe SE experts. It will do its utmost to ensure a high level of participation by employee representatives and trade union representatives in management and supervisory boards. It will reflect on the best means of linking up the various employee representation structures. Better cooperation should be established between the existing employee representatives in the RBs, the board representatives and the CPC.

2. Anticipating and managing change, transnational restructuring and Trade Union Coordination

Change at company level needs to be better anticipated and managed in order to ensure sustainable development and avoid the negative effects of change on workers and employment. IndustriAll Europe is of the opinion that measures must be taken, also at European level, to facilitate transition. In this connection, it advocates the establishment of a European framework for the anticipation and management of change that ensures socially responsible management of change and provides guarantees to enable workers to adapt to change. A participation role for the trade unions has to be guaranteed. IndustriAll Europe fully supports the initiative taken by MEP Mr. Alejandro Cercas regarding this issue, and will continue to liaise with the ETUC to transpose this into a legal initiative of the European Commission.

Managing the transition to sustainable growth implies investing in technologies and products and investing in people through the promotion of policies for further education and occupational retraining in a socially responsible way. IndustriAll supports sustainable corporate governance and will monitor developments in this respect.

EWCs are an important lever as regards industriAll Europe's Company Policy. Strengthening their role will help workers to bring more influence to bear on the long-term development of their companies, better defend their interests and facilitate adaptation to change. In this respect, the rights stemming from the Recast EWC Directive offer new opportunities for better anticipation of change.

An anticipatory approach to forward-looking management of employment and competences will provide EWCs with new tools for preparing for change and limiting any negative impact on employment. It will also strengthen their position at national level. IndustriAll Europe will promote innovative measures taken by EWCs and companies to anticipate change and promote good corporate governance.

The anticipation and management of change necessitate also a tighter interaction between EWCs and sectoral industrial policy. This link needs to be developed and intensified in the future, especially in sectors where a handful of companies play a dominant role in the respective European sectoral industrial policy.

The adaptation to change along the value chain, as well as the management of change in a socially responsible manner, is a major challenge for the future. Innovatory practices have to be developed to improve information and consultation processes along the value chain, especially between prime contractors and subcontractors.

The founding organisations of industriAll European Trade Union have built up experiences with several transnational company agreements on the anticipation and the management of change with a view to maintaining company competitiveness and preserving and developing workers' employability. In the event of such opportunities arising in the future, industriAll Europe is committed to promoting the conclusion of more European framework agreements that establish a

negotiated solution for all based on the industriAll Europe internal procedure for negotiations at multinational company level.

In the event of cross-border restructuring, industriAll Europe will promote the search for European solutions which are fair for all. Existing policies from the founding organisations of industriAll Europe with regard to transnational company restructuring (e.g. The 10 Principles on Transnational Restructuring) will become the guideline for industriAll Europe action in the area of transnational restructuring.

Trade union coordination networks/meetings

Trade union coordination networks/meetings are an important and necessary tool for trade unions at European level in order to effectively respond to decisions taken by companies, including proposed cross-border restructuring plans. While they do not replace EWCs, they can shape, enhance and compliment their role. They also provide an ideal forum for undertaking and expressing solidarity and access to the European level for those industriAll Europe affiliates which do not have access to an EWC.

Trade union coordination meetings have developed a number of good initiatives (such as European action days), which have proved very effective in cases of cross-border restructuring. The industriAll Europe coordinators can also play a key role as regards drawing up a coordinated response at European level that combines EWC action and trade union action.

IndustriAll Europe Company Policy will look to develop these meetings and networks in order to maximise coordinated union strength within companies or groups of companies. These networks/meetings will be held or developed as permitted by available resources.

3. Promoting and developing negotiations within European companies with a trade union mandate

IndustriAll Europe will promote the negotiation of European Framework Agreements given the positive experience that has been built up in a number of companies over the last years. The industriAll Europe internal mandate procedure is the basis for these European negotiations with companies. These agreements also help to increase trade union visibility at European company level.

Transnational company negotiations (on topics such as health and safety, integration of young workers in the workplaces, management of restructuring, ...) must not weaken sectoral collective agreements but be guided by them. IndustriAll Europe will endeavour to raise the awareness of the coordinators and EWCs chairpersons with regard to the internal mandate procedure for the negotiation of European framework agreements aiming at upwards harmonisation of working conditions. It is expected to be used by the trade unions at European level whenever possible.

The work of the European Commission towards a legal framework for transnational negotiations in multinational companies constitutes an important element of a future European Industrial Relations system. This initiative should clarify the respective roles of the EWC and trade unions (including

European Industry Federations). IndustriAll Company Policy will continue to promote the view and policy of industriAll Europe, i.e. that negotiation of European company agreements should remain a trade union prerogative.

4. Promoting trade unions and trade union rights in companies and EWCs

IndustriAll Europe must continue to develop trade union activities in all industrial companies, and especially in the new EU member states. Tools such as EWCs, board membership, membership as trustee in company pension funds, trade unions in the country where the company's headquarters are based, etc. should be used in order to achieve our goal. Trade union coordination networks/meetings are also important to promote trade union rights and activities in multinational companies. They also help to develop a genuine European trade union approach in the interest of the whole European workforce. The defence of trade union rights should be an integral part of trade union strategy when dealing with relocation and negotiation of its social consequences. The trade union identity of EWCs shall also be strengthened.

Some governments and companies have used the financial crisis to put existing company workers' rights into question by proposing and/or adopting changes to national labour codes and legislation. IndustriAll Europe must closely follow these attempts and coordinate joint and solidarity reactions.

Initiatives will be taken, in close cooperation with IndustriALL Global Union, on how European trade unions together with EWCs can promote and ensure the full implementation of International Framework Agreements whose primary objectives, terms and commitments concern the respect of ILO Core Labour Conventions, OECD Guidelines and Human Rights, European Social Charter.

Initiatives taken by the European Commission and individual companies regarding Corporate Social Responsibility will be followed and, where applicable, also promoted.

5. European Company and Corporate Governance Law: a close look at new developments!

Changes in European Company and Corporate Governance Law are an ongoing focus for industriAll Europe. In 2012 the European Commission launched an action plan regarding future European Company Law and Corporate Governance initiatives. In the coming years, initiatives can be expected on three main lines of action: enhancing transparency, enhancing shareholders and supporting companies' growth and their competitiveness. These European Commission initiatives - and where they may lead - will require special attention from industriAll Europe. They will contain actions and initiatives on improving corporate reporting, employee share ownership, initiatives regarding cross-border operations (transfer of HQ, improving mechanisms for cross-border mergers, 'smart' legal forms for European SMEs, etc.). IndustriAll Europe Company Policy will provide close follow-up to these initiatives and react where necessary in cooperation with the ETUC.

6. The Company level as a platform for implementing overall industriAll Europe policies.

The daily work with our 530 EWCs, as well as the major companies, offers industriAll Europe a platform to discuss our policies regarding industrial policy, collective bargaining policy, social policy

and sector-related issues, etc. The link between Company Policy and the other activities of industriAll Europe should therefore be enhanced.
