



## European works councils: better information and consultation for workers

**On Monday, Members of the Employment and Social Affairs Committee adopted with amendments the recast directive on European works councils, which was unveiled by the European Commission in July as part of the new social agenda. Around 820 European works council are currently operating, representing some 14.5 million workers.**

The updates to Directive 94/45/EC proposed by the Commission are designed to tighten up the definitions of information and consultation of workers, define the powers of European works councils, require employees' representatives to report to the employees they represent and enable them to receive the training they require without loss of wages.

Other changes include clarifying the rules for setting up new works councils, recognising the role of trade unions and adapting the works councils if firms are restructured.

### Amendments by social partners

The Employment Committee adopted amendments to the report, which was drafted by Philip Bushill-Matthews (EPP-ED, UK), taking up proposals from the two sides of industry sent in a letter of 29 August to French minister Xavier Bertrand, who currently chairs the EU Employment and Social Affairs Council.

MEPs altered the definitions of the terms "information" and "consultation" (Article 2) to make it clear that information for workers' representatives must enable them to "undertake an in-depth assessment" of the proposals and "prepare consultations with the competent body" of the firm. Works council must also have "the means required to apply the rights stemming from the directive" and "to collectively represent" workers' interests, say MEPs.

Article 13 as amended now states that the directive shall not apply to firms in which there was already an agreement on 22 September 1996. An exemption is also applied to firms in which "an agreement is signed or an existing agreement is revised during the two years following the adoption" of the directive.

### Other provisions

Following the court judgments in the *Vilvoorde*, *British Airways* and *Marks and Spencer* cases, MEPs also adopted amendments to clarify where a situation is "transnational". They decided that where a decision of closure or restructuring is taken in one Member State but affects the workers in another, it must be considered transnational.

They also abolished the threshold of 50 employees for setting up special negotiating bodies (as a first step to constituting European works councils) so as not to discriminate against small Member States which would have difficulty reaching this threshold.

Lastly, Member States must ensure that any measures taken ensure compliance with the directive are "adequate, proportional and dissuasive". MEPs also propose a full review of the directive three years after it is implemented.

## **Background**

The directive is being recast in order to ensure that employees' transnational information and consultation rights are effective, increase the proportion of European works councils set up (they currently exist in only 36% of firms to which the directive applies), increase legal certainty and ensure better linkage between the directives on information and consultation of employees.

## **N.B. :**

**Procedure: Co-decision, first reading -- Committee vote: 36 in favour, 1 against, 10 abstentions -- Plenary vote: December II, Strasbourg.**

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