

## **European Works Councils – Transforming European Industrial Relations?**

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**The Establishment of European Works Councils: From information committee to social actor. W.Lecher, B.Nagel, H-W.Platzer. Ashgate, Aldershot. 278 pages £49.95. 1999. ISBN 1 84014 886 1**

**European Works Councils: Developments, types and networking. W.Lecher, H-W.Platzer, S.Rub & K-P.Weiner. Gower, Aldershot. 145 pages £45.00. 2001 ISBN 0 7546 1617 7**

**European Works Councils: Negotiated Europeanisation. Between statutory framework and social dynamic. W.Lecher, H-W.Platzer, S.Rub & K-P.Weiner. Ashgate, Aldershot. 222 pages £42.50. 2002 ISBN 0 7546 0845 X**

These three volumes of new empirical and theoretical material on the establishment and operation of European Works Councils (hereafter EWCs) promise to fill a substantial research void. The importance of these volumes is the fact that they bring us new case study evidence from three phases of EWC development. These are the initial voluntary phase that ended in September 1994, the 'enforced voluntarism' period up to September 1996 when Article 13 agreements could be reached, and finally the 'statutory' period since 1996 when Article 6 procedures apply. In addition the authors have undertaken a survey of the 'non-compliant' enterprise to understand the reasons why up to 1000 enterprises that met the legal criteria had not made progress to meet the terms of the Directive.

Initially there is some confusion for the reader as the volumes come from different publishers imprints, differ in their cover designs and draw upon different sets of authors. However it is quickly apparent that there is a strong central research focus and a consistent set of national research teams in four countries - Germany, France Italy and UK. The three books are organised so that each covers one of the periods and offers case study evidence of the inauguration of EWCs under differing conditions and the issues involved. In addition, volume two attempts to bring a more analytic approach to bear offering us a typology of works councils, a discussion about the importance of network building between EWCs and the key role that EWCs play in what is described as 'the newly emerging European multi-level system of industrial relation'. The character of the three books therefore differ, the first being primarily a scene-setter with case studies of pre-

shorter cases, is much more reflective and theoretical placing the development of EWCs within a European Industrial Relations context. The final volume written three years later adds a further five case studies but also tries to merge both approaches and updates the process of Europeanisation that had taken place up until 2001.

So what does the new evidence tell us? The first thing to say is that the authors have a strongly developed theoretical framework within which the empirical evidence is fitted. They see that the processes of globalisation and internationalisation of markets lead ineluctably towards a parallel process in industrial relations and labour markets. The growth of trans-national companies, heightened merger activity, Economic and Monetary Union and the growth of supra-national regulatory bodies all point us this way, hence:

"actors have no choice but to widen their radius of action to international and supra-national level ..... as a consequence EWCs could prove to be more important in establishing the foundations of an enduring system of European industrial relations than the 'compensatory' Social Dialogue between umbrella organisations." (Vol 1 p 3.)

The overall thrust of the trilogy is that a 'paradigm shift' is occurring in the mode of regulation adopted by the European Union (EU) that points to a Europeanisation of industrial relations. Whilst also admitting that EU employment and social policy has not established a truly 'social and democratic' European Social Model, they do see the recent period of policy developments as concealing a "potentially transcendent moment" (Vol 1, p 18), leading institutional actors to redefine/extend their competencies and decision-making at new levels. Hence the framework that they produce is one of a dynamic European multi-level system of industrial relations encouraged and bolstered by EU policy in three main areas; that of macro Social Dialogue, sectoral Social Dialogue and crucially the creation of European Works Councils. They admit that since the first successes of the 'negotiation track' and the stream of directives that flowed from it the macro-social dialogue has faltered somewhat. Undeniably the sectoral level has proved to be much weaker in terms of effectiveness whilst having notable areas of promise. Hence for them it is the EWCs that represent the most dynamic element of EU policy. As such the EWCs have to bear a lot of responsibility – they are described as the "ambassadors for a Social Europe" (Vol 3, p 146). Alternatively they are held up as "the most dynamic pole within the trans-nationalisation of industrial relations.... and will constitute a core element of any future European industrial relations." (Vol 2, p 120). They hold out the promise of new forms of trade union co-operation, "EWCs provide a jumping off point for international co-operation at group and workplace level, not only between employee representatives but also between the trade unions represented in the companies." (Vol 1, p 258)

There is no doubt that EWCs are important for both national and European level industrial relations. In the space of a few years there are now over 670 works councils in existence and more becoming operational every year. The impact on worker representatives can be galvanising as some of the case studies in this study shows, raising awareness and cementing links between worker representatives that were not possible

strengthened the legitimacy of the social actors and particularly the trade unions at those multiple levels of activity. But, and this is a big but, can the EWCs as they are currently constituted carry the burden of expectations that these authors lay on them?

Looking at the three volumes as a whole it is difficult - even using the authors' own evidence and statements - to justify the key role that is assigned to EWCs. Littered throughout the texts are statements about what the EWCs *may* become, their *potentiality*, and their vital *future* role. However, when considering their current practice, power and significance a rather different picture emerges. The authors are repeatedly forced to concede that recent developments are facing serious difficulties and that compliance, even though legally enforceable, faces serious internal and external obstacles:

“there is a not insignificant number of companies in which the establishment of an EWC is either not relevant or will not be relevant because of qualitative factors related to their structure and strategy. Moreover there could also be a number of companies in which there are obstacles to the establishment of an EWC either on structural grounds or because of particular constellations of actors and interests.” (Vol 3, p 168.)

In other words the case studies and the survey point to both high level and localised management hostility, pockets of trade union indifference and fairly widespread employee disinterest. Trade union respondents indicated also that the process was becoming more difficult due to the fact that the “easy cases” have now been worked through. Whilst demonstrating the need for EWCs to form sectoral networks these too are seen as being “very modest in scale” (Vol 3, p 102). Indeed in the banking and finance sector they have to report the withdrawal of EURO-FIET support from EWCs in order to concentrate on developing support structures for weak national representational structures.

When one looks at the content of EWC proceedings again there is little optimism that EWCs are developing a wider role than that specified in the Directive. The hope that these forums are precursors to European collective bargaining is hardly borne out. In the vast majority of their cases and in the evidence they quote from Carley and Marginson, (2000)<sup>1</sup> the function of the Councils does not go beyond information disclosure; indeed negotiation is expressly forbidden in 10% of the cases. This follows other research reported by Mark Hall that shows that only 2% of agreements allow for negotiations on certain issues and 4% for the EWC to make recommendations and proposals of its own<sup>2</sup>.

In the typology of EWCs they produce four main forms are described – *Symbolic*, *Service*, *Project-oriented* and *Participative*. The last is held up as the potential forerunner for a Europeanised industrial relations where Councils have scope for negotiations, have cohesive internal structures, strong European links/exchanges and a supportive trade union structure. However, again we are told that only two of their 15 cases fulfil this classification and that:

‘many EWCs have not yet realised their potential... and several will not be able to do so over the longer term’ (Vol 2, p 93)

employee representational structures and the difficulty of them “making the leap from the local to the European level” (Vol3, p 169). This repeats Hyman’s<sup>3</sup> analysis regarding the national rootedness of labour institutions when compared with the internationalisation of capital; and the importance for collective bargaining at the local level where the crucial issues surrounding the effort bargain and work organisation are primarily decided. Overall, there are a number of distinct strengths to these books and they offer us a number of detailed case studies that show how complex the implementation phases of the directive have been. They are very useful in terms of the typology of EWCs they present and I can see this being much used in future research and academic debate. The rigour with which they construct the underpinnings of their typology is without fault and this adds to our analytical understanding of EWCs. I also found the sections on the critical periods of internal EU discussions very illuminating; in particular, the aftermath of the Vilvoorde debacle and the period of social partner disagreement during the abortive negotiation track discussions are both handled in some depth.

In terms of weaknesses I feel that the survey of ‘non-compliant companies’ is doubtful in terms of its representation, suffering from a low response rate and an over-representation of German firms. The research and literature used is primarily German and relies heavily on theoretical debates sourced there, hence there are omissions in the bibliography with no mention of Teague or Pochet for instance and few references to the host of papers in the European Journal of Industrial Relations or ETUI’s Transfer.

But the main problem I have with the three volumes is the primacy they accord to theory over the empirical evidence. This constantly shows through in their reiteration that even if the EWCs are not currently taking on their roles as transformative and Europeanising agents they will inevitably do so in the future. They declare that networks will form and that participative EWCs are emerging whilst much of what they produce could just as easily persuade us that the opposite is happening.

<sup>1</sup> Carley, M. & Marginson, P. (2000) Negotiating European Works Councils. A Comparative analysis of Article 6 and Article 13 agreement. Luxembourg

<sup>2</sup> Hall, M. (2002) ‘Unions seek more influence for EWCs’  
<http://www.eiro.eurofound.ie/2002/12/feature/EU0212208F.html>

<sup>3</sup> Hyman, R. (2001) ‘The Europeanisation - or the Erosion - of Industrial Relations’. *Industrial Relations Journal*. Vol 32 No 4. Pp 280-294