

Democracy at work: A European framework for employees' participation rights and the revision of the European Works Council Directive

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The Committee on Employment and Social Affairs adopted the own-initiative report by Gabriele BISCHOFF (S&D, DE) on democracy at work: a European framework for employees' participation rights and the revision of the European Works Council Directive.

Democracy in general and democracy at work in particular are core values of the European Union and provide a very solid foundation on which to strengthen Europe's resilience and social contract. Social partnership and collective bargaining between representatives of employees and employers at national level and social dialogue at EU level are key elements of the European Social Model, whose shared legacy of social dialogue, workers' participation, collective bargaining, employee representation on boards, health and safety representation, and tripartism are the building blocks of a diverse and economically, socially and environmentally sustainable future.

The regulatory landscape of the Union in the field of employment law and company law remains **excessively fragmented**, which could result in a lack of legal certainty on applicable rules and rights for both employers and employees. It is therefore to reinforce the Union's toolkit in these fields by introducing an ambitious framework directive that streamlines and simplifies the applicable legislation, and reinforces workers' rights, notably the right to information, consultation and participation.

Workers' participation in companies

Stressing that importance of workers' participation at workplaces across the entire Union, Members called on the Commission and the Member States to establish the necessary conditions and requirements to have at least **80 % of corporations covered by sustainable corporate governance agreements by 2030**. They called for the establishment of strategies agreed with workers to positively influence environmental, social and economic development through governance practices and market presence, to improve directors' accountability as regards integrating sustainability into corporate decision-making, and to promote corporate governance practices that contribute to company sustainability.

The report also stressed that it is essential to adequately **define ambitious EU minimum standards** for information, consultation and board-level representation and participation of workers in cases where companies restructure across borders.

Moreover, the Commission is called on to:

- make the necessary improvements to the frameworks regulating SEs and European Cooperative Societies and, on the basis of a timely evaluation by the Commission, to the Company Law Package, and to amend them to introduce minimum EU rules governing employee participation and representation on supervisory boards, including on **gender equality**;
- deliver on its commitment to put forward without further delay a directive on binding environmental and human rights due diligence and responsible business conduct, including workers' rights such as the right to organise and collectively bargain, health and safety, social protection and working conditions.

A new framework for information, consultation and board-level representation

Member stressed the need to thoroughly enforce, evaluate, strengthen and consolidate all the relevant EU laws to ensure that informing and consulting employees is an integral part of company decision-making and that it takes place at the relevant level within companies.

Recalling the importance of the European Works Council in this regard, the report stressed that it should be informed and consulted in matters relating, in particular, to the current situation and probable trends as regards employment and investments, and substantial changes concerning organisation, the introduction of new working methods or production processes, transfers of production, mergers, cut-backs, closures of undertakings, establishments or important parts thereof, and collective redundancies. Workers' representatives should take part in the development of social plans, with the aim of regulating changes that may affect workers and generate redundancies.

Members noted that divergences persist between EU countries regarding the quality, timing and effectiveness of information and consultation before corporate decisions are made, and that restructuring processes are carried out differently across Europe. To remedy this situation, the right of employees to information and consultation should always be ensured in a timely manner and address the potential quantitative and qualitative effects on employment and working conditions.