

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

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The European Parliament adopted by 476 votes to 115, with 99 abstentions, a resolution on democracy at work: a European framework for workers' participation rights and the revision of the European Works Council Directive.

Parliament recalled that social partnership and collective bargaining between employee and employer representatives at national level and social dialogue at EU level are key elements of the European social model. However, the EU regulatory landscape in the field of labour and company law remains highly fragmented, which could result in a lack of legal certainty on the rules and rights applicable to both employers and employees.

Parliament recalled that 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. However, 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.

Members considered it essential 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.

Worker participation in companies

The resolution highlighted that the digital and ecological transitions are having a huge effect on the world of work and that the most resilient and sustainable companies are those with **well-established systems of worker participation in the life of the company**. Members are convinced that the voice of workers must be an essential element of EU initiatives and that EU and Member State policies must be continuously improved to ensure lifelong learning, skills development and retraining for all workers.

Parliament called on the Commission and the Member States to establish the conditions and requirements necessary to **ensure that at least 80% of corporations in the EU are covered by sustainable corporate governance agreements by 2030**, while recognising the particular administrative burden this implies for SMEs. It called for the establishment of strategies agreed with workers to positively influence environmental, social and economic development through governance practices and market presence, to strengthen the role of directors in pursuing the long-term interests of their company, to improve directors' accountability towards integrating sustainability into corporate decision-making, and to promote corporate governance practices that contribute to company sustainability.

The resolution 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.

The Commission and the Member States, in cooperation with the social partners, are invited to commit to **achieving 90% collective bargaining coverage by 2030** in national systems that combine statutory and social partner regulation of employment and working conditions.

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

Parliament 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 resolution 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.

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Recalling that the **European Works Council Directive** is part of the EU acquis on participation rights, Parliament called for the strengthening of information and consultation rights to ensure that the opinion of the European Works Council is taken into account in company decisions and that this opinion is given before the consultation at the appropriate level is completed and before decisions are taken by the management bodies.

Lastly, Parliament considers that companies should make progress in **ensuring diversity and gender equality**, including through equal pay in the workplace. It called on the Council to make progress on the Women on Boards Directive and called for the application of the 40 % quota to both non-executive and executive boards (independently considered), both in private and public owned companies, with national legislation to be adapted progressively.