

# Establishment and functioning of European Works Councils - effective enforcement

2024/0006(COD) - 24/01/2024 - Legislative proposal

**PURPOSE:** to revise the European Works Councils (EWCs) Directive to further improve social dialogue in the EU.

**PROPOSED ACT:** Directive of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** Principle 8 of the European Pillar of Social Rights reaffirms the right of workers or their representatives to be informed and consulted on matters relevant to them. With respect to **transnational matters**, Directive 2009/38/EC of the European Parliament and of the Council on the establishment of a European Works Council (EWC) or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees seeks to give practical effect to these basic principles by setting minimum requirements for the information and consultation of employees in Community-scale undertakings and Community-scale groups of undertakings.

EWCs therefore complement the work of national employee representative bodies.

While an evaluation of Directive 2009/38/EC published in 2018 confirmed that Directive's added value and relevance in principle, it also identified shortcomings regarding, for instance, the effectiveness of the consultation process, access to justice, sanctions, and the interpretation of certain concepts.

This proposal aims to tackle shortcomings of the Directive, and thereby to improve the effectiveness of the framework for the information and consultation of employees at transnational level. It does not affect the EU and national rules and practices concerning the involvement of employees at national level.

In its own-initiative [resolution](#) of 2 February 2023 containing recommendations to the Commission on the revision of the European Works Councils Directive, the European Parliament called for the role and capacity of EWCs as information and consultation bodies in European-scale undertakings to be strengthened.

**CONTENT:** the Commission proposes to revise the European Works Councils (EWCs) Directive to further improve social dialogue in the EU.

The current Directive outlines the processes for creating EWCs and for informing and consulting them on transnational matters.

The proposed revision aims to **strengthen the role of EWCs** by facilitating their creation, fostering more meaningful information and consultation, and ensuring they have the necessary capacity to carry out their work. It also aims to strengthen gender balance of EWCs.

The Commission's main proposed changes include:

*Clarifying the concept of transnational matters*

To ensure that EWCs complement and do not overlap with the work of national information and consultation bodies, it is proposed that a clear definition for determining when EWCs must be consulted and informed be introduced. This targeted clarification aims to address the existing uncertainty and reduce the risk of disputes, while maintaining the distinction from national matters in order to prevent conflicts with national information and consultation procedures.

### ***Giving equal rights to workers of multinational companies operating in the EU/EEA to request the creation of a new EWC***

Directive 2009/38/EC does not provide the employees in the exempted undertakings with the possibility to request an establishment of a European Works Council under that Directive. However, for reasons of legal clarity, equal treatment and effectiveness, employees and their representatives in all Community-scale undertakings or Community-scale groups of undertakings should in principle have the right to request the establishment of a European Works Council.

The proposal removes the exemptions from the current Directive, allowing 5.4 million workers in 320 multinational companies with pre-existing agreements to request the establishment of an EWC.

### ***Ensuring that workers in multinational companies are consulted in a timely and meaningful way on issues concerning them***

EWC members should receive a reasoned response to their opinion before company management adopts a decision on transnational matters.

Company management must provide justifications whenever confidentiality is given as a reason for restricting the further sharing of information or not disclosing information on transnational matters.

### ***Making sure EWCs have the necessary capacity to do their work***

The updated proposed requires parties to EWC agreements to be required to specify the financial and material resources to be allocated to EWCs at least with respect to the use of experts, legal costs, and training. Moreover, they are to also specify the format of EWC meetings, which may include virtual formats if parties so agree. To improve effectiveness of existing EWCs, the new requirements in relation to financial and material resources and the format of EWC meetings apply also with respect to pre-existing EWC agreements, which may hence need to be adapted.

### ***Strengthening gender balance***

Whenever an EWC agreement is (re)negotiated, the proposal puts in place provisions to attain, as far as possible, a gender-balanced composition. This includes a requirement to actively pursue gender balance in special negotiating bodies, which are temporary groups of employee representatives negotiating an EWC agreement with the company.

This objective is defined by the target of 40% of seats on the EWC – or select committee – to be allotted to members of either gender.

### ***Improving access to legal remedies***

Member States should notify the Commission of how EWCs can bring judicial and, where applicable, administrative proceedings. Member States are also obliged to put in place effective, dissuasive and proportionate sanctions to enforce the Directive.