Expert group's final report on the European systems of worker involvement, Davignon report

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OBJECTIVE: presentation of the final report of the Davignon Group, which sets out a progress-oriented approach to the European Company Statute, including a proposal for a set of general rules to serve as a basis for further negotiations between Member States on this subject. SUBSTANCE: since 1970 the Community has been working on a European Company Statute. However, the various texts proposed to date have proved abortive, owing to the failure to reach a compromise on the subject of worker participation. After comparing the national systems of worker consultation in the 15 Member States, the Davignon Group ruled out the idea of general harmonization, as there were too many differences. The solution envisaged is based on negotiations between management and workers' representatives in each individual case. Such negotiations would be compulsory, although the parties would have complete freedom, and there would be no minimum conditions. However, in order to ensure that the two sides negotiate properly, there would be a cut-off point three months after approval of the establishing of the European company. This deadline could be extended by joint agreement between the parties, but the maximum period for negotiations to reach a conclusion would be one year. If no agreement were reached by the deadline, reference rules would then apply. The Davignon Group proposes 'minimum' provisions which would include: - information and consultation of workers: workers' representatives would be entitled to give an opinion on any question significantly affecting the affairs of the European Company, - participation: workers would be invited to participate in the management board and supervisory board of the European Company and would have the same rights and the same duties as the other members. The Group proposes that workers' representatives make up one fifth of the members of the management board or supervisory board, with a minimum of two members. These provisions will have to be supplemented by rules on the protection of workers' representatives, financial and physical resources, the right to consult experts, and the circulation and protection of the confidentiality of certain types of information. These rules will take precedence over national rules on the subject in the country in which the European Company is located and established. The reference rules will apply only to participation and to the trans-national dimension of information and consultation of workers in the European Company (the national dimension of information and consultation being covered by national rules).