Worker information and consultation

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OBJECTIVE: to improve the present Community system of worker information and consultation by enabling the adoption of certain important directives in this area currently blocked in the Council. SUBSTANCE: through this communication, the Commission hopes to open the debate on the approach to be adopted to break the current deadlock in the Council over a series of proposals concerning worker participation, particularly the following: . the proposals concerning worker participation in the European Company as well as the European Association, the European Cooperative and the European Mutual Society, . the articles concerning worker participation in the "fifth directive" on company law, . worker consultation in companies with complex structures ("Vredeling proposal"). Given the complexity and delicate nature of the discussions being held, the Commission felt that, before proposing any new formal initiative in this area, it should use this communication to initiate a wide-ranging debate in the Council, Parliament and the Economic and Social Committee, which would also serve as a preliminary consultation of the social partners under Article 3(2) of the Social Protocol. The adoption in 1994 of the directive concerning the European Works Council highlighted another aspect of the problem of worker information and consultation since it demonstrated the benefits of establishing general legal standards in this field at European level. The next stage is to determine whether the case-by-case approach in the proposals on "participation" should be maintained, although they have the drawback of remaining blocked within the Council (which implies serious consequences for companies in the Union which must adapt to the internal market and global competition), or whether a new strategy should be found to unblock these issues. Indeed, the Member States are urging that the European Company be adopted immediately. This is a legal instrument which is particularly important in attracting private capital to establish extensive European networks and its adoption is blocked purely because of the provisions concerning worker participation. As far as the Commission is concerned, there are several options available to help move the issues forward: - maintaining the status quo, in other words continuing the discussions in the Council on the basis of the existing proposals and maintaining the case-by-case approach: this option offers little hope for progress; - a general approach, instead of the case-by-case approach, which would enable general frameworks for worker information and consultation to be established at European level: in this way, the proposals annexed to the European Company, the European Association, the European Cooperative and the European Mutual Society could be withdrawn. This should then be followed by the adoption of a Community instrument relating to information and consultation at national level; - immediate action on the proposals concerning the European Company, and so on: if a general approach establishing general frameworks is adopted at Community level, in light of the European Works Council Directive immediate measures could be taken to break the deadlock surrounding proposals such as those relating to the European Company. This action could be implemented in two ways: . no European Company, European Association, European Cooperative or European Mutual Society could be established in a Member State which had not transposed the European Works Council Directive, . there would be no conditions, but existing Community provisions on worker consultation and information would be applied to these bodies ("works council", "collective redundancies", "the transfer of undertakings") with the disadvantage in this case that the United Kingdom would not be involved since it was not affected by the European Works Council Directive.