

The EU Works Councils Directive 2009/38/EC

Cost to business - £5million per year ([UK Government Impact Assessment](#))

Talking Points

EU-wide Trade Unions and industrial action

The move towards pan-EU industrial relations policy strengthens EU-wide trade unions that can put pressure on business interests. Notification of policy across the whole EU, where one country's workforce may be affected, could lead to EU-wide industrial action affecting multinationals covered by the directive.

What is it?

In 1994 the EU introduced the first EU Works Council directive to compel businesses to inform and consult with workers an EU-wide level

The directive applies to all companies located in more than one EEA/EU member state with at least 1,000 employees. 150 of the 1,000 employees must be employed in two EU/EEA member states. Companies are not forced to set up an EWC, but employees can initiate and set up EWCs.

EWC representatives in the UK are elected by a workforce ballot. In other EU states, national works councils or trade unions determine the representatives on EWCs.

Special Negotiating Boards are set up as a medium for negotiation, consultation and agreements.

All workers in one company spread across EEA/EU countries must be told about transnational business policies and company plans [including](#):

- the structure of the company,
- economic and financial situation,
- probable development of the business and of production and sales, t
- he situation and probable trend of employment,
- investments,
- substantial changes to the organisation, i
- introduction of new working methods or production processes,
- transfers of production,
- mergers,
- cut-backs or closures of undertakings,
- establishments, or important parts thereof
- collective redundancies.

The directive also gives a direct line of communication to top management across the EU. This gives European workers the ability for trade unions to form a common European response to employers' transnational work plans.

The revision of the directive aims to:

- Improve the effectiveness of information and consultation between employees across EWCs.
- Increase the number of EWCs across the EU.
- Increase the certainty of setting up EWCs after mergers and acquisitions.
- Enhance the 'coherence' between the EWCs and other national level procedures for informing and consulting employees.

EWCs can 'challenge' management for withholding information.

The Directive requires that European-level trade unions be informed of the start of negotiations to agree a EWC within a business.

Third Party Opinions

“There is little evidence so far that trade unions have been able to use EWCs to develop trans-national bargaining arrangements although a few high-profile companies have concluded agreements with their EWC on specific matters affecting the business. However, some employers remain concerned that this might be a longer-term development.” [Chartered Institute of Personnel and Development](#).

“Some business respondents thought their EWC was more of symbolic value and did not add anything of substantive use to the communication strategy of the organisation. Also there is little employee demand for European information and consultation bodies”. [DTI/BERR Consultation report](#).