

Economic and social issues in Europe ... How do they link up now?

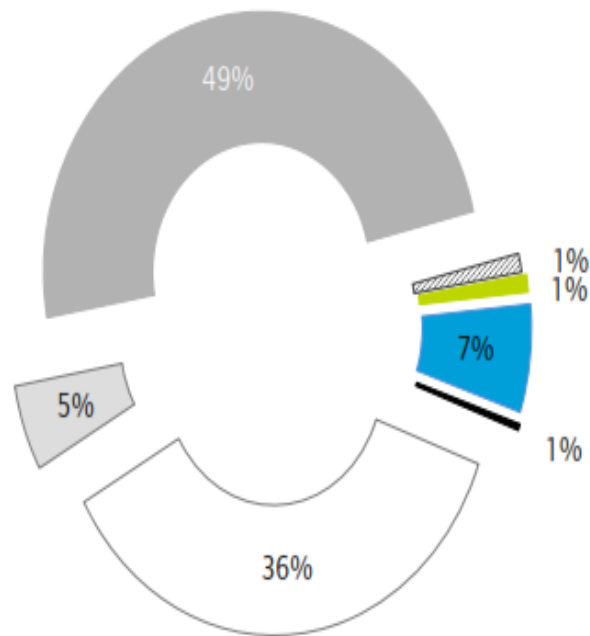
Worker representation serving the search for growth?

- **The first thing that springs to mind how worker representation in Europe is changing is wondering about European and global company structural trends,**
- **European companies have internationalized in two directions over recent decades based on**
 - ▶ The formation of the internal market that has enabled pan-European companies to be set up
 - ▶ Globalization by industrializing emerging countries
- **These two simultaneous movements have transformed the reality of dividing work between sites and between countries**
- **It has been intensified by the increasing fragmentation of production chains**
 - ▶ Industrial fragmentation has been compounded by separating manufacturing from general services through the creation of shared service centres
 - ▶ The economic aspect has been compounded by the legal matters
- **The growing segmentation of goods and services production processes enables multinational companies to loosen their geographical ties and hence their ties to populations**
- **Does the notion of value added chain give unity to these new company models?**
- **If it's the case how the worker representation has to be adapted ?**

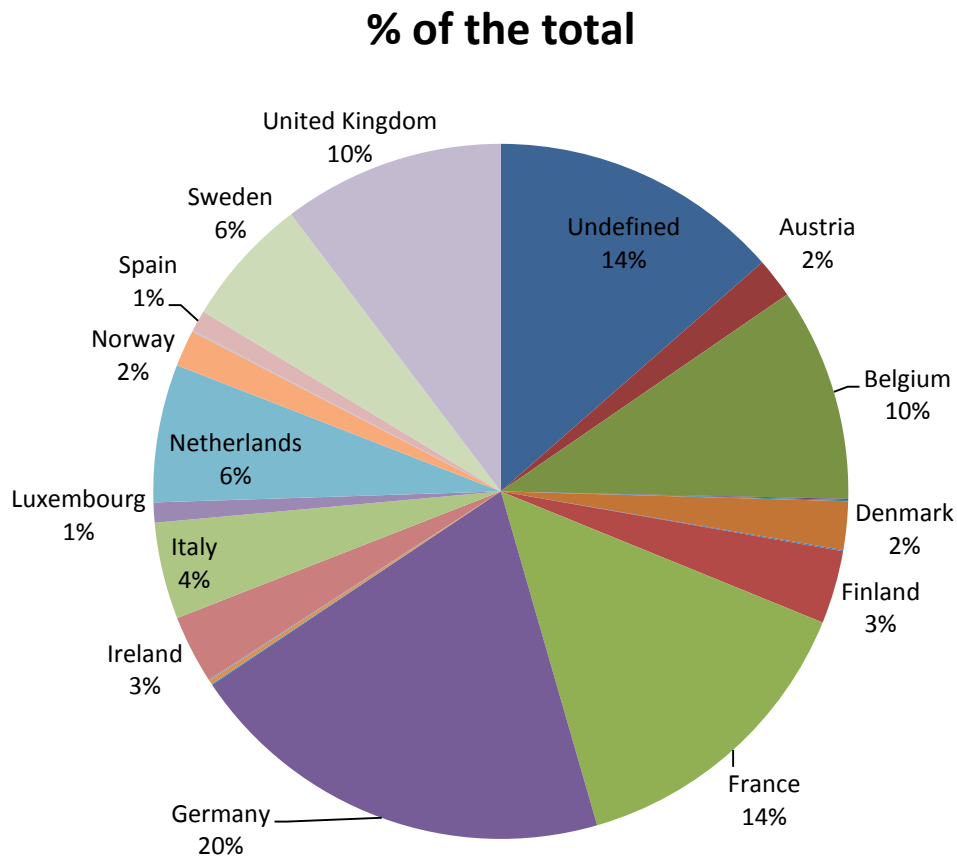
- **Union organization representatives' aims:**
 - ▶ to push for the employees' viewpoint to have a bearing on their company's strategy
 - ▶ even out employee and shareholder representation in governance bodies so that work finds its voice in the same way as capital.
- **Thus company strategy leveraging tools have been set up**
 - ▶ Information and consultation through European Works Councils (1994 and 2009)
 - ▶ National information and consultation through European harmonization (2002)
- **Supplemented by**
 - ▶ The European companies' directive that takes into account specific national characteristics at European level
 - ▶ The participation of workers' representatives in company decision-making bodies has remained at national level and at that to just a few countries
- **The gap is growing between**
 - ▶ The multinational momentum of companies that are in a position to make choices on their individual manufacturing and operating locations
 - ▶ and the workers' representatives who base all their legitimacy on local sites and national rights

The legal framework of EWCs in 2013 (source ETUI)

- art.13
- art. 3 (Dir. 97/74/EC, companies based in the UK and IRL)
- art.6
- ▨ information & consultation procedure
- subsidiary requirements
- SE EWC
- unspecified procedure



Distribution of EWC head offices (source ETUI)



- **The creation followed by the development of the internal European market gradually pitches the national worker representation systems in competition with each other as do collective bargaining systems**
 - ▶ Weak economic growth does not make for an environment conducive to strengthening worker representation
 - ▶ Reactions to the recession always involve an element of weakening worker representation at national and company levels (Romania, Spain, Italy, France, Denmark, and so on).
 - ▶ The financial crisis deepens country, category and regional imbalances and undermines social cohesion
- **It all happens as though workers' rights to be represented were an integral part of competition law**
- **Workers' rights to be represented must be eliminated from the competitive struggle between European countries**
 - ▶ Yet workers' participation in company decision-making bodies is a factor for investments, employment and growth (example of steel making – Study on Liège in 2012)

French companies find new interest in SEs

- **A number of French major companies embarked on transforming themselves into European companies (SEs) in 2014**
 - ▶ Schneider Electric, LVMH, Airbus, Akka ... all companies in good economic situation
- **Their first communication goal claims to match their European dimension with the legal status**
- **They may resort to other arguments**
 - ▶ Transnational worker representation in a French company of European dimension differs little from a European works council and the European works council of a European company
 - ▶ Furthermore as economic prerogatives in the area of information and consultation are directly recognized at European level, the need to retain them at national level will be undermined (even though formally national law will take precedence as long as the French companies exist). A process is undertaken and its effects will be felt in the medium term
- **In a period marked by rising nationalism, the European company could give greater guarantees on maintaining the status quo and this extends to worker participation**

- **Europe's financial crisis and its political impacts are leading companies to**
 - ▶ Outsource their growth to emerging countries
 - ▶ Reconsider the European worker representation model
- **The lack of economic recovery compounded by restructuring operations, weaken the economic fabric in the long term and make for**
 - ▶ Competing at the lower end
 - ▶ Seeking external models
 - ▶ Retreating into nationalism
- **The Transatlantic Trade and Investment Partnership may enlarge the playing field**
- **One part of the solution consist to distinguish multinational and local firms for information, consultation and representation rights ?**
- **Competition must find new limits regardless of whether it is internal or external**
 - ▶ Workers' representation and worker's influence or participation are its very foundation
- **It's the possible way to modify the economic policy of each company**