

## CEE, palanca del cambio (Industrial Relations in Progress)

### CEE, elemento de progreso en las relaciones industriales europeas

At the beginning of the crisis the International Labor Organization underlined how transnational social dialogue could act as a strategical instrument to overcome the crisis<sup>1</sup> and recover from it. More than 5 years after this important statement, there seems to be enough evidence that the crisis has not only devaluated social dialogue but also collective bargaining, so exercising a strong pressure on wages and working conditions. The effects of austerity policies and the neoliberal offensive in this framework have been even reinforced by an extended company strategy of disinvestment and recentralization of resources and decision-making. The externalization of complete parts of the value and production chain and the emerging culture of 'distance leading' have produced even more difficulties for a normalized negotiation between workers and management at a local level and have reinforced the strategical importance and the value of European Working Councils. These are not only a central tool to enhance social dialogue and to better coordinate bargaining in Europe, but also an important resource to improve and recover bargaining capacities in this challenging environment. It seems clear that, in order to face the increasing European and transnational dimension of production chains, there needs to be also a new well-organized European and transnational dimension of industrial relations.

In this sense, the revision of the 94 directive and the introduction of the recast directive 2009 have introduced a better framework. Even though it will be necessary to continue working on a further development of the directive, not only concerning the disposal of better tools to improve European social dialogue in Multinational Companies, but also to overcome important lacks in terms of effectiveness of the fixed rights and procedures (well explored in the ETUI study 'Implementation of enforcement provisions of the EWC Recast Directive : are sanctions really 'effective, proportionate and dissuasive?'<sup>2</sup>), the recast directive has facilitated a set of elements that can be considered an important step forward. The EWC company agreements and the Information and Consultation process are not only central to better manage restructuring processes, but can also be used in other important contexts, such as health and safety at the working place, continuous training, work process organization, gender balance or others. In order to boost these possibilities it will be crucial to facilitate national trade unions, federations and company workers' representations, a better understanding and knowledge of the potential and needs of EWCs in the short, medium and long term. Together with the European Trade Union Federations (ETUFs) they are all of them relevant actors necessary to qualify, legitimate, improve and extend the action of EWC, and they have an important role to play.

Good working EWCs do not only need good trained and committed representatives, but also Union advisers and coordinators that are able to support the constitution of new EWCs, as well as assist normalized activity or intervene during extraordinary situations such as restructuring, delocalization or company merging. Technical and financial know-how (to analyze accounts, to understand branch strategies and policies...) is of crucial importance in a framework where the access to information but

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<sup>1</sup> Employment and social protection policies from crisis to recovery and beyond: A review of experience. An ILO report to the G20 Labour and Employment Minister's Meeting, Washington, 2010

<sup>2</sup> ETUI Policy brief 7/2014 'Implementation of enforcement provisions of the EWC Recast Directive : are sanctions really 'effective, proportionate and dissuasive'? by Romuald Jagodzinski

also its analysis and interpretation are often of a complex nature. For this reason the selection, training and advice of specific representatives requires an understanding of the potential and the strategic importance of both the EWCs and the organizations that are committed to facilitate support to ETUFs as natural coordinating instances. Concerning training this does not only mean helping to improve the capacities of EWC representatives to better communicate in a highly intercultural environment, as well as negotiate with the management or exchange with company workers, but also training and sensitizing Trade Union structures and decision-makers in order to raise awareness about the importance and potential of European Working Councils. Only with a full commitment at the different European Union levels it will be possible to overcome the two main challenges that EWCs are facing at the moment:

If we take a look at the EWC database<sup>3</sup> we will see that during the last years the number of renegotiated agreements is very similar to the number of new agreements signed. This has of course something to do with the transposal of the recast directive, but also with the reality that Special Negotiation Bodies (SNB) have more 'negotiation' capacity than EWCs themselves. Also, the negotiation and signature of Agreements on Anticipation of Change, shows the high interest and the potential that exists when improving negotiations. This can be considered a central element for the future. Information and Consultation rights, even if they are now well defined in the new directive, need to be developed in the context of multinational companies that can and will benefit from a more dynamic social dialogue. The second challenge is related to the breaking of the existing ceiling of signed agreements. During the last years we seem to have reached a psychological top, just a little bit over 1.000 agreements that is difficult to overcome (from 2010 to 2013 only 48 new EWCs were created). This entails not more than 50% of the real potential of EWC and should urge European TUs to identify better existing opportunities to create new ones. It means, therefore, that work must start more intensively with SMEs in a strategy that can help to qualify the interaction between workers and management, thus improving company stability.

Olaf Sievert, a neoliberal economist wrote in the 90s that "an optimal monetary dimension is one that is significantly wider, if possible definitively wider than the one in which a wage cartel can be established<sup>4</sup>". This kind of logic not only underlines the strategical importance of a well-organized European Trade Unionism at confederal and federal level, but also the central importance of enhancing the capacity of European Work Councils. Trade Unions in Europe are facing today important challenges when: a) trying to recover national and European social dialogue; b) widening their intervention in the whole production chain in order to organize also precarious and informal workers; and c) organizing workers in a better way at a transnational level. This is a field that requires coordination of collective bargaining and where also EWCs have a central role to play. For this reason, EWC training has become a strategical subject for European Trade Unionism, and projects such as ITEM, which allows to exchange best practices and to explore together new pedagogical approaches, are definitively relevant. Having better trained EWC representatives, but also national, branch and local union structures that are aware of the importance of transnational union representation and information and consultation processes at multinational companies, can be

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<sup>3</sup> <http://www.ewcdb.eu/stats-and-graphs>

<sup>4</sup> "Optimal ist der Währungsraum, der nennenswert grösser, möglichs mehrfach grösser ist als der Raum, für den sich ein wirksames Lohnkartell etablieren lässt". Sievert, Olaf (1992): Geld, das man sich selber herstellen kann, in: FAZ, Nr. 225, 26.9.1992, S.13. (Quoted by Klaus Busch in Gewerkschaften in der Eurokrise (Hamburg, 2016)

considered a central priority and not only for organized work, but for the social recovery of the European project.

The fact of having more than one thousand active European Work councils imply that in this moment we have probably something more than twenty thousand Unionists participating in EWCs. Through training but also through their own experience and networking they constitute an important value. They are relevant actors for the improvement of social dialogue in Europe but at the same time they allow to bring nearer the different trade union models as well as sowing confidence and trust between European workers. In this sense, they constitute probably the best opportunity the European Trade Union movement has to go a step further in the coordination of collective bargaining and, at the same time, to facilitate a common perspective on industrial democracy. For this reason they can be considered European actors of social cohesion and democratization, and therefore their training and support has a crucial role to play in the economic and social future of Europe.

Edited by CCOO Catalunya