Negotiating European Works Councils

An Analysis of Agreements under Article 13

EUROPEAN FOUNDATION
for the Improvement of
Living and Working Conditions

EUROPEAN COMMISSION
Directorate General V
Employment, Industrial Relations and Social Affairs

Negotiating European Works Councils

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Foreword

Since the Directive for the establishment of European Works Councils (94/45/EC) was adopted by the Council of Ministers on 22 September 1994, the Foundation has been keeping a register of Article 13 agreements which allowed multinational companies and groups, covered by the Directive, to reach voluntary agreements on the setting up of European Works Councils. The agreements were collected in cooperation with the multinational companies, the European social partner organisations and various industrial relations services and consultancies.

These agreements have been analysed under a number of different headings and the results published. This is the fourth such publication since the adoption of the Directive and the second published jointly by the Foundation and DG V of the European Commission. The first joint report, which was part of the *Social Europe* series (Supplement 5-95), analysed some 50 agreements, looking at such issues as the nature, procedures, geographical scope, competence and confidentiality clauses of the agreements.

This report covers the same topics but analyses 386 agreements which had been signed when the Directive came into force on 22 September 1996, and Article 13 ceased as an option for the establishment of a European Works Council.

This analysis is very relevant to the work of the Foundation and the Commission in monitoring employee participation and examining factors which impact on the development of industrial relations within the European Union, and is especially helpful to the Commission in its task of analysing the implementation of Article 13. We are pleased with the continued cooperation between the Foundation and the Commission on this important topic.

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Introduction

The adoption of Council Directive 94/45/EC on the establishment of European Works Councils on 22 September 1994 has given rise to an unprecedented period of negotiating activity between group management and representatives of employees at European level. The Directive requires Community-scale undertakings and Community-scale groups of undertakings to establish a European Works Council (EWC) or a procedure for the purposes of informing and consulting employees. The multinational groups and companies affected are those with at least 1,000 employees in the 17 countries of the European Economic Area (EEA) which adopted the Directive, and with at least 150 employees in at least two of these 17 countries. Article 13 of the Directive provided a two-year period during which management and employee representatives in these multinational groups and companies could, if they so wished, conclude voluntary agreements establishing European-level information and consultation arrangements. Such agreements are exempt from the provisions specified in the Directive, so long as they cover the entire workforce of the group within the scope of the Directive. From 22 September 1996, negotiations between group management and employee representatives to establish EWCs in further multinational organisations have been governed by the procedures under Articles 5 and 6 of the Directive, which require the formation of a special negotiating body.

The voluntary agreements concluded under Article 13 of the Directive form the subject matter of this report. The aim is to provide an analysis of the content of the text of these agreements, and of the variation between them. The actual practice of the EWCs established by the agreements may differ from what is specified in the text, but this is a matter which is outside the scope of the present research. At the time the Directive was adopted in September 1994, there were no more than 40 EWC-type arrangements for European-level information and consultation, not all of which were based on written agreements. The impetus that Article 13 gave to European-level

negotiations between group management and representatives of employees is reflected in the fact that two years later, by September 1996, almost 400 voluntary agreements had been concluded establishing EWCs. This represents approximately one in every three of the multinational organisations affected by the 1994 Directive.

The analysis is based on the comprehensive database of Article 13 agreements compiled by the European Foundation for the Improvement of Living and Working Conditions, which comprises 386 agreements. No inference should be drawn from the inclusion, or exclusion, of any agreement. Every effort has been made to ensure that the database is comprehensive in its coverage and it is safe to assume that it comprises more than 95 per cent of Article 13 agreements. The Directive, however, contained no Community-wide requirement that agreements be registered, so verification of the completeness of the database is not feasible. The multinational groups and companies to which the agreements apply are listed in the Appendix. In a small number of cases (less than 2 per cent) the agreement obtained had yet to be ratified. The only criterion for inclusion in the database is the existence of a written text establishing an EWC arrangement. In particular, no attempt has been made to assess whether a particular agreement satisfies the requirements of Article 13.

The Foundation's database codes the content of each of the 386 agreements according to a standard frame. The features of the agreements which were identified, and which are reviewed in the report, are as follows:

- the nature of the agreement
- the form and scope of the agreement
- the role and competence of the EWC
- the composition of the employee-side
- the select committee, if any
- meetings of the EWC
- facilities and experts for the employee side.

Earlier analysis by Carley and Hall of the content of 51 voluntary agreements establishing EWCs found considerable variation in their provisions (Carley and Hall, 1996). Hence, as well as reviewing the provisions of agreements, the analysis which follows explores whether there are any systematic patterns to such variation according to factors such as the country of origin of the multinational group, industrial sector and the extent of any trade union intervention provided for in an agreement.

- *Country of origin.* National industrial relations systems in general, and structures and traditions of employee information and consultation in particular, differ amongst the member countries of the EEA. Insofar as the contents of agreements are shaped by features of the national systems of industrial relations, differences can be expected according to the country of origin of the multinational organisations concluding agreements. Such influence might be less evident in the case of multinational organisations based outside Europe, hence differences between

companies headquartered in Europe and those based elsewhere in the world might also be expected. For the present analysis, the countries in which multinational companies (MNCs) are headquartered have been grouped into seven: the Nordic area; the Germanic-Dutch countries; the Franco-Belgian countries; the Anglo-Irish countries; the southern European countries; north America; and Asia. Countries in these groups share, to a greater or lesser extent, common features in terms of their national systems of industrial relations (see Chapter 1).

- *Sector.* The effects of sector on industrial relations practice are less well established than those of national systems. Nonetheless, the intervention and policy approach of trade union organisations at European sector-level or, in some sectors, of European employers' organisations, might generate differences in the contents of agreements by sector. Such differences could stem also from the sector-specific nature of the influence of product markets, labour markets and technologies on industrial relations arrangements.
- *Employment size.* Recent research findings point to the influence of the strategy and structure of MNCs on industrial relations policy and practice (Marginson and Sisson, 1994). Accordingly, differences in the contents of agreements might be expected according to structural characteristics of the companies concerned, such as employment size.
- *Date of agreement.* Agreements might be expected to become more detailed and more formalised over time as, by analogy with a learning curve, innovative provisions in earlier agreements become standard features in subsequent ones. In particular, agreements which pre-date September 1994 can be expected to be less influenced by the statutory provisions specified in the Directive, as well as by the terms of other agreements, than those concluded after the Directive had been adopted.
- *Trade union intervention.* The extent, if any, to which agreements provide for trade union intervention in the operation of an EWC, reflected in the employee-side signatories to an agreement, provision for the attendance of trade union officials at meetings of EWCs and the role of experts might be expected to underpin further qualitative differences in the content of agreements.

In addition to analysing the features of Article 13 agreements in these respects, interest focuses on the potential which these organisational and operational features entail for the development of EWCs. A contrast can be drawn between those EWCs whose capacity appears to be constrained to operating as a purely formal body and those EWCs that appear to have the capacity to develop as ongoing working bodies. In the first instance, due to the limited nature of the formal provisions of agreements, EWCs would tend to have a symbolic existence around a once-yearly meeting. In the second, EWCs could develop into ongoing structures of employee interest representation within MNCs, whose effectiveness is both recognised by the workforce and respected by the management.

The relevance of the analysis presented in the report to improving employee information and consultation in multinational undertakings and groups of undertakings within the EEA is threefold. First, the negotiations at European level which resulted in the 386 EWC agreements concluded under Article 13 represent an unprecedented extension and intensification of negotiating activity at European level. An assessment of the outcome of this process, in terms of

the provisions of, and variations in, Article 13 agreements is valuable in its own right. It also enables practitioners to benchmark agreements they have concluded against others. In addition, reviewing the content of the agreements also provides a basis for an assessment of the extent to which there are qualitative differences between their provisions and those laid down in the statutory arrangements specified in the Annex to the Directive.

Second, no more than one-third of the multinational groups and companies covered by Directive 94/45/EC have concluded agreements under Article 13. Many more may do so under the provisions of Articles 5 and 6 of the Directive. An assessment of the provisions of Article 13 agreements will be of assistance to the social partners and to management and employee representatives in informing their approaches to negotiations under Article 6.

Third, as a result of the ending of the UK's opt-out from the social chapter of the Maastricht Treaty, and the adoption in December 1997 of an extension Directive (Council Directive 97/74/EC) concerning the establishment of EWCs or of procedures for informing and consulting employees which covers all 18 EEA countries, further multinational undertakings and groups of undertakings will be required to comply with the terms of the extension Directive. This is because of the inclusion of UK employees in the application of the Directive's employment thresholds. More than 120 UK-based organisations are estimated to be affected, plus around 180 groups and companies headquartered elsewhere in the EEA and beyond. Group management and representatives of employees in these multinational organisations have two years, up until December 1999, during which they can, if they so wish, conclude voluntary agreements under equivalent provisions to those of Article 13.

Chapter 1 The Companies Involved

1.1. Country of origin

Companies headquartered in 25 countries have concluded agreements establishing EWCs under Article 13 of the 1994 Directive. In a small number of cases (2 per cent), which includes joint ventures as well as a few wholly-owned operations, companies were headquartered in more than one country. Multinational companies based in the 17 EEA countries covered by the Directive account for 60 per cent of the agreements. Twenty per cent of the agreements involve companies

Table 1.1. *Country of origin of Article 13 agreements*

Country	%	Number	Country	%	Number
Austria	2	7	Netherlands	5	18
Belgium	4	17	Norway	1	7
Denmark	2	6	Portugal	-	-
Finland	4	14	Spain	1	3
France	11	42	Sweden	6	22
Germany	23	89	*EEA 17*	*63*	*244*
Greece	-	-			
Iceland	-	-	Switzerland	5	19
Ireland	1	3	UK	15	58
Italy	4	14	Japan	4	14
Liechtenstein	-	-	USA	15	59
Luxembourg	1	2	Rest of the world	1	5

Base: All agreements, N = 386.

Note: Percentages total to more than 100 per cent and numbers add to 395 because in 9 cases organisations are headquartered in more than one country.

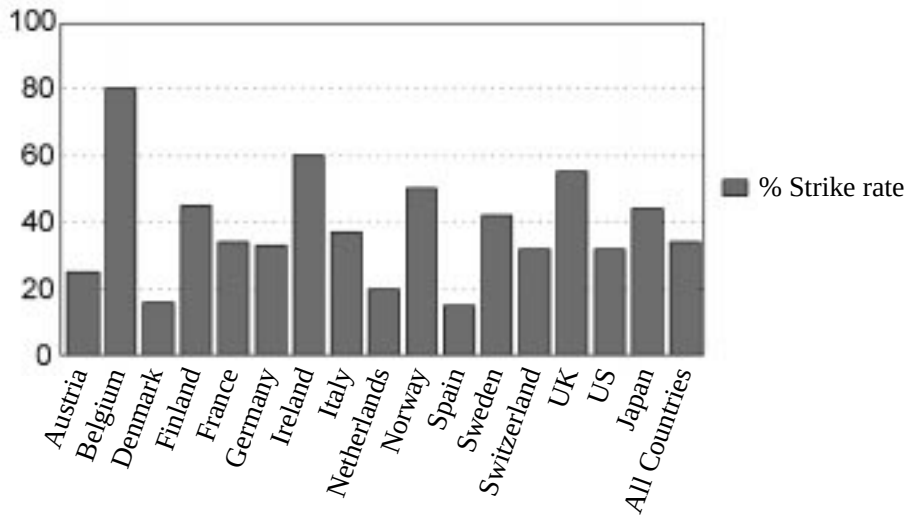
based in countries elsewhere in Europe, not covered by the Directive, and a further 20 per cent involve non-European multinationals. This underlines the impact of the Directive beyond the 17 EEA countries originally adopting it.

Of the 155 agreements concluded by multinational companies based outside the 17 EEA countries, the location of the European headquarters for the purposes of the Directive was identified in one in every three cases (32 per cent). Germany, Belgium and France were the three countries most frequently cited. For example, of the 24 US-based MNCs which identified the location of their European headquarters, 6 nominated Germany, 7 France and 5 Belgium.

Multinationals based in four countries, France, Germany, the UK and the USA, account for 64 per cent of the agreements. German-based companies account for the largest share, at 23 per cent, followed by those based in Britain and the US, at 15 per cent each, and French-based companies at 11 per cent. Swedish-based companies account for 6 per cent of agreements, and those based in the Netherlands and Switzerland 5 per cent each.

An indication of the extent to which multinational companies covered by the 1994 Directive opted to conclude agreements under Article 13 can be gained from a comparison with the ETUI's Inventory of companies affected by the EWC Directive (ETUI, 1995). This listed 1,144 companies which had subsidiaries in two or more of the 17 EEA countries covered, and which met the Directive's employment thresholds. Caution needs to be exercised in any assessment, as the Foundation's database comprises agreements and not companies. In a minority of cases, companies have concluded multiple EWC arrangements covering different international business divisions (see Chapter 3). Inspection of the database indicates, however, that the problem is not large, with the number of companies involved in the 386 agreements being of the order of 20 or fewer. This suggests that approximately one-third of the companies covered by the Directive concluded agreements under Article 13. Despite employer opposition to the Directive, once it

Figure 1.1. *Strike rate of agreements concluded by selected country*



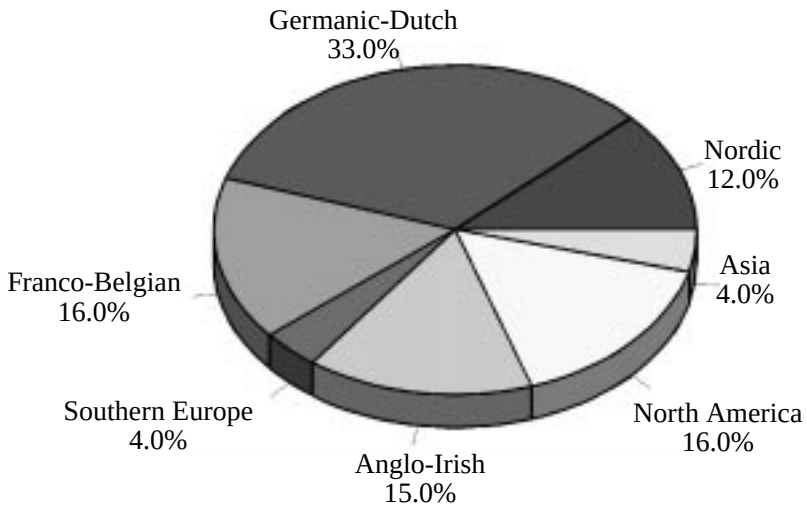
Base: All agreements, N = 386.

was implemented a substantial proportion of MNCs would appear to have seen advantages in establishing EWC arrangements sooner rather than later.

There are some distinct differences in this 'strike rate' according to country of origin. Amongst the 17 EEA countries, the strike rate in France, Germany and Italy is about the same as the overall average. It is noticeably higher in Finland, Sweden and Norway (between 40 and 50 per cent). Belgium has the highest strike rate, at over three-quarters of companies covered by the Directive. The strike rate is noticeably lower in Denmark, the Netherlands and Spain (20 per cent or less). Elsewhere in Europe, one-half of the UK companies meeting the terms of the Directive concluded agreements, a markedly higher strike rate than in France and Germany. This may reflect a concern on the part of UK-based companies to conclude agreements outside the Directive's special negotiating body procedure, which came into force in September 1996, and a preference for voluntary arrangements given the absence of any tradition of works councils in the UK. Outside Europe, the number of US companies concluding agreements is the same as the overall average - at about one in three - whereas the strike rate amongst Japanese-based multinationals is over 40 per cent.

For the analysis which follows, the countries in which companies are headquartered have been grouped into seven. These groups share, to a greater or lesser extent, salient features in terms of their national systems of industrial relations. The groups are: the Nordic (Denmark, Finland, Sweden, Norway); the Germanic-Dutch (Austria, Germany, the Netherlands, Switzerland); the Franco-Belgian (Belgium, France, Luxembourg); the Anglo-Irish (Ireland, UK); southern Europe (Italy, Spain); north America (Canada, USA) and Asia (which also includes one MNC each from South Africa and Australia). One salient feature is whether or not there are established structures for employee information and consultation within enterprises at national level, guaranteed by law or by basic agreements. The presence of such works council structures distinguishes the Franco-Belgian, Germanic-Dutch, Nordic and southern European groups of countries, which have such

Figure 1.2. *Agreements by country group*



Base: All agreements, N = 386.

systems, from the Anglo-Irish, north American and Asian groups, which do not. Amongst the groups of countries with works councils, structures in the Germanic-Dutch, Nordic and southern European countries are employee-side only, whereas those in the Franco-Belgian countries are joint. A second salient feature is the form that employee representation takes within the enterprise. In the Germanic-Dutch countries trade unions have no direct representative role within the enterprise, whereas the industrial relations systems in the Franco-Belgian and southern European countries provide for an intersection between trade union and employee representation at enterprise level. Systems of employee representation within the enterprise are trade union-based in the Nordic countries and, where they exist, in the Anglo-Irish countries. The same applies to north America, but the incidence of non-unionism is considerably higher in the USA than in Ireland or the UK. Forms of enterprise unionism are prevalent amongst the Asian countries, notably in Japan.

1.2. Sector

The manufacturing sector dominates when breaking the agreements down according to sector. Eighty per cent of the agreements are in manufacturing, with a further 6 per cent in other production sectors. Just 13 per cent of the agreements are in the service sectors. More than one-third (35 per cent) of agreements are in metalworking, followed by chemicals (17 per cent) and food, drink and tobacco (12 per cent). In the service sectors, the largest number of agreements are in finance and other services (including hotels and catering), each with 5 per cent.

There are differences across sectors when comparing the number of EWC agreements concluded against the number of companies in a sector covered by the Directive. Again, the ETUI's Inventory is used as the point of approximate comparison. Although the metalworking sector has the largest numbers of agreements, there are considerably more companies covered by the Directive in metalworking than in any other sector. The strike rate for the sector (38 per cent) is a little above the overall average of one in three. In the food and drink and chemicals sectors the strike rate is somewhat higher than the average, at around 45 per cent. That in textiles, clothing and leather is noticeably lower, at about 20 per cent. Overall, the strike rate in manufacturing is almost double the 20 per cent found in the service sectors. Here there is a marked contrast between banking and finance, with a strike rate over 25 per cent, and commerce, where only one in ten of the companies covered have concluded agreements. Differences between the production and service sectors reflect the very different levels of union membership and organisation across these two broad sub-sectors of the economy. Differences between individual sectors are likely to reflect the varying pattern of trade union membership and organisation too, but might also stem from differences in policy by MNCs in different sectors and, as Rivest (1996) has argued, the organising strategies of the different European industry trade union confederations. Overall, the analysis by sector is rather exploratory in character, as the industrial relations sources of possible variation according to sector are less firmly established than in the case of differences between countries.

Table 1.2. *Agreements by sector*

Sector	%	Number
Mining and oil	3	11
Chemicals, rubber and plastics	17	65
Food, drink and tobacco	12	47
Metalworking	35	137
Pulp and paper	4	14
Textiles, clothing and leather	3	11
Other manufacturing	8	30
Construction and utilities	3	13
Commerce	1	5
Financial services	5	20
Transport and communications	2	6
Other services	5	18
[Not classified]	[1]	[9]

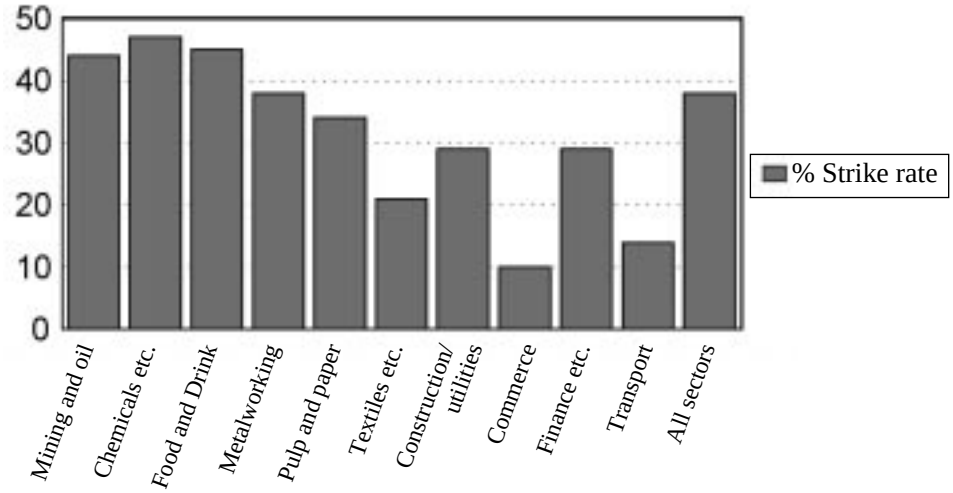
Base: All agreements, N = 386.

There are differences too in the incidence of agreements in the different sectors across groups of countries. In the Nordic countries nine out of every ten agreements are in the manufacturing sector, as compared with an overall average of 80 per cent, with a particular concentration in metalworking (which accounts for 48 per cent of all agreements). In the Germanic-Dutch group of countries the proportion of agreements in manufacturing is the same as the across-country average, but there are relatively more agreements in the chemicals sector, and relatively fewer in food and drink than elsewhere. Amongst the Franco-Belgian group, agreements in the manufacturing sectors account for only 65 per cent of the total. Correspondingly there are relatively more in construction and the utilities and in the service sectors, particularly banking and finance. In the southern European countries, there are few agreements outside the manufacturing sector, which accounts for 93 per cent of the total. The proportion of agreements in the manufacturing sector in the UK and Ireland is just below the overall average (77 per cent), but there is a relative concentration in food and drink and noticeably fewer in metalworking than elsewhere. The manufacturing sector accounts for 90 per cent of agreements amongst companies based in north America, with relatively more in food and drink than elsewhere.

1.3. Size of workforce

Thirty percent of agreements (117) contained, or had appended to them, information on the size of the workforce in the company, or division, within the EEA. In most cases, as well as total employment in the EU or EEA, numbers of employees in the different EEA countries in which companies have operations were identified. Data on employment was twice as likely to be contained in agreements concluded by companies headquartered in Europe as in those concluded by companies based in north America and Asia. Because information is only available in a minority of cases, it is difficult to draw any conclusions about the features of agreements in large

Figure 1.3. *Strike rate of agreements concluded by selected sector*



Base: All agreements, N = 377.

Note: 9 agreements and 59 companies covered not classified by sector.

or small MNCs *per se*. The data can be more satisfactorily deployed to compare and contrast features of agreements between MNCs which differ in their overall employment size.

The figures on total employment size demonstrate the very differing scale of the multinational organisations concluding EWC agreements. In 9 of the 117 cases (8 per cent) providing EEA employment data, organisations employed between 1,000 and 2,000 employees – just above the minimum employment threshold of the Directive. At the other end of the spectrum, 21 enterprises (19 per cent) employed more than 50,000 in the EEA, including 6 companies with at least 100,000 employees. Median employment in the EEA amongst these 117 organisations was 13,145. For further analysis, organisations were classified as 'small' (with less than 5,000 employees in the EEA), 'medium' (with from 5,000 but less than 10,000 employees) and 'large' (more than 10,000 employees). Small organisations accounted for almost one-fifth of the total, with a similar proportion falling in the medium-sized category. The remaining three-fifths of organisations were large.

Table 1.3. *Size of EEA workforce by global region of origin of company*

(%)

Region of origin	Small	Medium	Large
Europe	14	18	67
Rest of the world	54	15	31
All countries	19	18	63

Base: Agreements where information on EEA employment obtained, N = 117.

Multinational organisations headquartered in north America and Asia were more likely to be small in terms of their EEA employment than companies with their headquarters in Europe. Among non-European organisations, 54 per cent are in the small size category, compared to 14

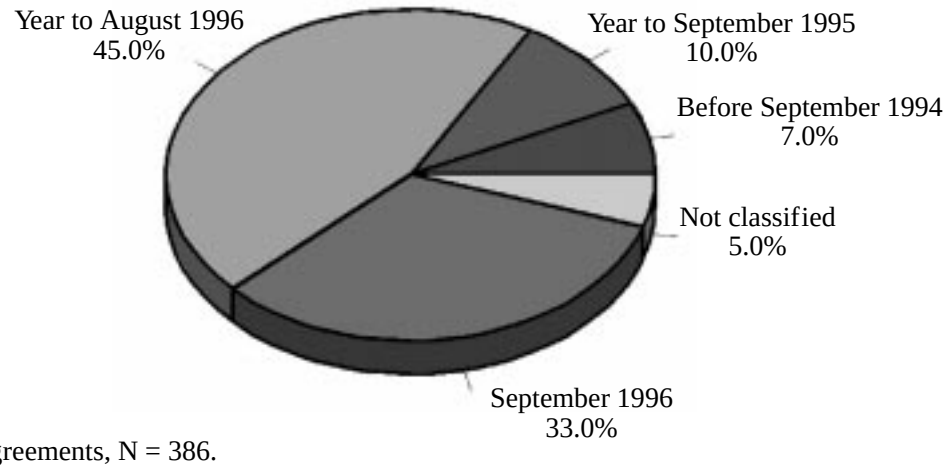
per cent of their European counterparts. Conversely, two-thirds of European-based organisations are large, compared to just under one-third of non-European organisations. Few differences were evident between sectors. Where agreements cover an international division of a larger organisation (see Chapter 3), the proportion of multinational organisations in the small size category is slightly greater, and that in the large size category slightly lower, than cases where agreements are group-wide. The absence of any great size difference according to business structure suggests that companies opting to conclude agreements at divisional level may well be amongst the very largest in terms of their employment in the EEA.

Chapter 2 The Nature of the Agreement

2.1. Date of agreement

Just 7 per cent of the agreements (26 cases) date from before the adoption of the EWC Directive in September 1994. In a few cases, the date in the Foundation's database relates to the most recent revision of an agreement, or the formalisation of an established practice, which had been in place prior to September 1994. Hence, this figure represents an underestimate of the proportion of EWC arrangements which pre-date the adoption of the Directive. The year following the adoption of the Directive saw some increase in the number of agreements, with a further 10 per cent being concluded in the twelve months up until September 1995. More than three-quarters of agreements (78 per cent) were concluded in the twelve months up until the

Figure 2.1. *Date of agreement*



Base: All agreements, N = 386.

September 1996 deadline for EWCs to be established under Article 13. One in every three agreements was concluded in September 1996 itself. (In 5 per cent of cases no date could be identified.)

As is well known, French and German-based companies dominate amongst the agreements pre-dating September 1994, accounting between them for almost three-quarters of the total (73 per cent). Likewise, the metalworking and chemicals sectors account for approaching three-quarters (73 per cent) of the agreements dated before September 1994. In all but one case, these early agreements were concluded in large multinational organisations.

2.2. Employee-side signatories

The provisions of the Directive do not specify a role for trade unions in negotiations to establish EWCs or in their operation. Yet Article 13 provided procedural scope for negotiations to be conducted between company management and established representatives of employees, either trade unions or, in several countries, employee-based central works councils. The employee-side signatories to agreements provides an indicator of the involvement of trade unions and central works councils in negotiations to establish EWCs. Information on the employee-side signatories is available in most (94 per cent) of the agreements.

Table 2.1. *Employee-side signatories*

Type of signatory	*(%)*
International trade union	32
National trade union, one country only	18
National trade union, two more countries	14
Any trade union	*45*
National works council, one country only	17
National works council, two or more countries	9
Employee-side EWC	9
Any works council	*34*
Special negotiating body	8
Employee representatives	37

Base: Agreements where signatories identifiable, N = 364.

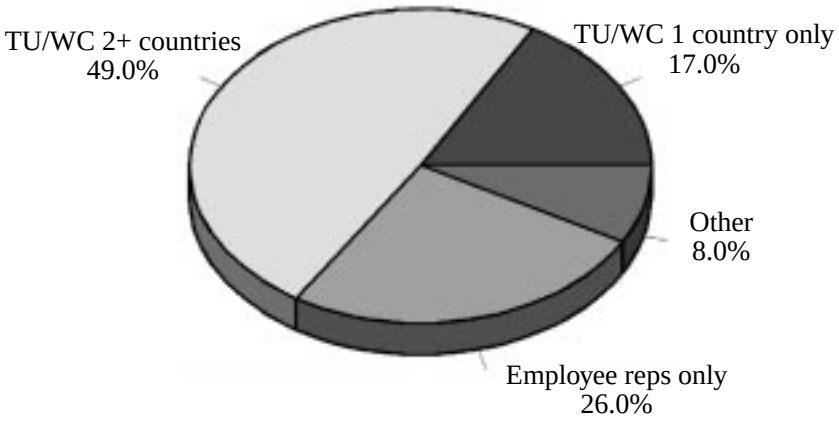
Note: Percentages add to more than 100 per cent as agreements can have more than one type of employee-side signatory.

Trade union organisations are a signatory to 45 per cent of agreements on which there is information. European and international trade union organisations are a signatory in one in three cases (32 per cent of the total), reflecting their organising and coordinating role in the establishment of voluntary EWCs. National trade unions from one or more countries were also signatories to 32 per cent of agreements: this includes 19 per cent that were also signed by an international trade union organisation. National works councils, or pre-existing employee-side

European-level works councils, were signatories to 34 per cent of all agreements. This includes 19 per cent of cases where both trade union organisations and works councils were signatories. In countries such as Austria and Germany, central works councils are often strongly influenced by trade unions, suggesting that trade union influence extends into a proportion of those agreements concluded with works council representatives only.

In total, established forms of employee representation, in the form either of trade unions or of works councils, are signatories to two-thirds of agreements. Trade union or works council representatives might also have been involved in the 5 per cent of cases where agreements were concluded solely with a 'special negotiating body'. Twenty-six per cent of agreements have trade union signatories only, whilst 21 per cent of agreements are signed only by works council representatives. A further 19 per cent are signed by both trade union organisations and works council representatives, and in some cases by unspecified 'employee representatives' also. The extent of the coordinating role played by international trade union organisations is indicated by the fact that one-half of all agreements were signed either by international trade union organisations themselves or by established representatives of employees in two or more countries. This is less likely to have been so amongst the 17 per cent of agreements signed by established representatives of employees (either trade union or works council) from a single country only.

Figure 2.2. *Agreements concluded with representatives from a single country*



Base: Agreements where signatories identifiable, N = 364.

Of some concern to trade unions has been the conclusion of agreements with unspecified 'employee representatives'. Such 'employee representatives' were signatories to 37 per cent of agreements, although this includes 11 per cent of cases where agreements were also signed by trade union organisations or national or European works council representatives. This leaves 26 per cent of agreements which were concluded by MNCs with unspecified employee representatives only.

Table 2.2. *Employee-side signatories by country of origin*

(%)

Country of origin	Trade union only	Works council only	Unions/ Works council	Employee reps only	Other
Nordic	21	9	12	42	17
Germanic-Dutch	7	49	15	17	13
Franco-Belgian	62	-	25	10	3
Anglo-Irish	32	8	24	32	4
Southern Europe	79	7	14	-	-
North America	17	12	19	44	9
Asian	13	6	38	44	-
All countries	26	21	19	26	9

Base: Agreements where signatories identifiable, N = 364.

Turning to differences by country of origin, trade union organisations were less likely to be signatories to agreements concluded in the Germanic-Dutch group of countries than elsewhere. Conversely, agreements were more likely to be concluded with national works councils in the Germanic-Dutch group of countries, reflecting the different nature of the national systems of employee representation at enterprise level in these countries. Agreements in non-European MNCs are twice as likely to have been concluded with unspecified employee representatives only as those in European-based MNCs. Amongst MNCs based in Europe, those in the Nordic countries were the most likely to have been concluded with unspecified employee representatives only. MNCs based in the Nordic countries were also the most likely to have concluded agreements with a special negotiating body. There are no agreements with unspecified employee representatives only amongst MNCs based in southern Europe. Agreements signed with established employee representatives from one country only were markedly more common amongst MNCs based in the Germanic-Dutch countries than elsewhere.

Differences are evident by sector also. International trade union organisations are more commonly signatories to agreements in the food and drink, textiles and clothing, construction and banking and finance sectors, than in chemicals or metalworking. Agreements with national works councils are particularly prominent in the chemicals sector, although such agreements in German-based MNCs followed a sector-level agreement between the employers and trade unions. Chemicals is also the sector in which agreements concluded with established employee representatives from a single country only are most common. In contrast there are few such agreements in food and drink. Agreements concluded with unspecified employee representatives only are most common in mining and oil, chemicals and paper, and least common in construction and the utilities, textiles and clothing and financial services.

Established employee representatives, and particularly international trade union organisations, are more likely to be signatories to agreements in large as compared to medium or small multinational organisations. Conversely, unspecified employee representatives are markedly

more likely to be signatories to agreements in small and medium-sized organisations than in large ones.

Agreements pre-dating September 1994 are more likely to have been signed by trade unions based in one country only than those concluded later.

2.3. National law applicable

Sixty per cent of agreements specify which, if any, national legal code is applicable in instances where problems arise in the interpretation or application of agreements. Specification of the national law applicable is most common amongst companies based in Belgium, France (where agreements have to be registered under national law), Norway and Japan, where it is found in more than three-quarters of all cases. It is least common amongst companies based in Italy, found in only a quarter of cases. Amongst multinational companies headquartered outside the 17 EEA countries adopting the Directive, the legal codes of Belgium, France, Germany or Ireland are the most likely to be specified as those applicable.

Whereas 62 per cent of agreements signed after September 1994 specify which, if any, national law is applicable, the proportion amongst earlier agreements is somewhat lower, at 39 per cent. Over time, agreements appear to have become more formal in nature.

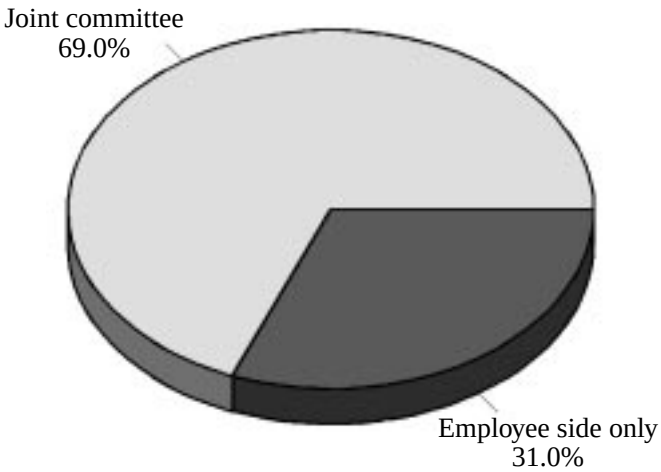
Chapter 3 The Form and Scope of EWCs

3.1. Composition

There are two basic models for the composition of the EWC:

- the ‘German’ model of a structure made up of employee representatives only, which meets bilaterally with management, and
- the ‘French’ model of a joint committee of management and employee representatives which is normally chaired by the managing director.

Figure 3.1. *Composition of EWCs*



Base: Agreements where structure of committee identifiable, N = 374.

The Annex to the Directive provides for an employee-side only structure, along the lines of the 'German' model. Yet two-thirds of all agreements follow the 'French' model and establish a joint committee, whilst only one-third follow the provisions of the Directive. The 'German' model is most strongly represented amongst MNCs based in southern Europe and in the 'traditional works council' countries like Germany, the Netherlands and Austria. Even so it is far from being universally adopted in these 'traditional works council' countries. Elsewhere, EWC structures which follow the 'German' model only really feature amongst MNCs based in the Nordic countries. In contrast, virtually all EWC agreements in MNCs based in the Franco-Belgian countries establish a joint committee. Joint committees are also found in the great majority of MNCs based in countries without any national legislation requiring the establishment of works councils: the Anglo-Irish, north American and Asian groups of countries. Interestingly, joint committees are also found in over 40 per cent of MNCs based in the Germanic-Dutch group of countries.

Table 3.1. *Composition of EWCs by country group*

(%)

	Joint committee	Employee-side only
Nordic	66	34
Germanic-Dutch	42	58
Franco-Belgian	97	3
Anglo-Irish	89	11
Southern Europe	29	71
North America	96	4
Asia	93	7
All countries	69	31

Base: Agreements with relevant information, N = 374.

There are at least two ways of interpreting the adoption of the 'French' model of a joint committee in a substantial minority of agreements amongst companies based in the 'traditional works council' countries. One is to infer that the national models in these countries, which confer relatively robust consultation rights on employee representatives, are in danger of being eroded by the new consultative structures at European level. A second is to suggest that employee representatives at national level are seeking to protect the rights they have already established in respect of multinational groups headquartered in their country, through the establishment of a European-level forum with relatively less robust rights to consultation.

Within the different sectors the joint committees dominate more strongly amongst agreements in the food, drink and tobacco and financial services sectors. Metalworking, paper and transport are the sectors in which committees consisting of employee representatives only are most likely to be found. The smallest sized MNCs showed a greater tendency to establish committees consisting of employee representatives only than larger MNCs.

Not surprisingly, agreements establishing EWCs which consist of employee representatives only are most likely to have been concluded where the employee-side signatories are solely established works council representatives. In contrast, joint committees are most likely to have been established where trade union organisations are the only employee side signatories.

Table 3.2. *Composition of EWCs by selected sector*

(%)

	Joint committee	Employee-side only
Mining & oil	55	45
Chemicals	72	28
Food, drink & tobacco	89	11
Metalworking	63	37
Pulp and paper	57	43
Textiles & clothing	73	27
Construction/Utilities	69	31
Financial services	82	18
All sectors	69	31

Base: Agreements with relevant information, N = 370.

3.2. Geographical scope

More than two-thirds of the agreements include subsidiaries from countries outside the 17 EEA countries covered by the 1994 Directive within the scope of the EWC. Two hundred and forty-four agreements (63 per cent) include operations in the UK. There are only seven agreements in which UK operations are explicitly excluded; five are agreements in MNCs based in the Germanic-Dutch countries and two in north American MNCs. The 'opt-out' of the UK from coverage by the Directive appears not to have prevented the inclusion of UK subsidiaries within the scope of EWCs in the overwhelming majority of cases where companies have UK operations.

Agreements include operations in Switzerland within the scope of EWCs in 19 per cent of cases; from one or more of the countries of central Europe in 15 per cent of cases and from one or more east European countries in 5 per cent of cases. Operations in central and eastern Europe are most likely to be included within the scope of EWCs in MNCs based in the Germanic-Dutch countries. Other countries, including Turkey and countries beyond Europe, are included within the scope of EWCs in 4 per cent of cases. Two MNCs are known to have established arrangements which are world-wide in their coverage.

Table 3.3. *Coverage beyond EEA 17*

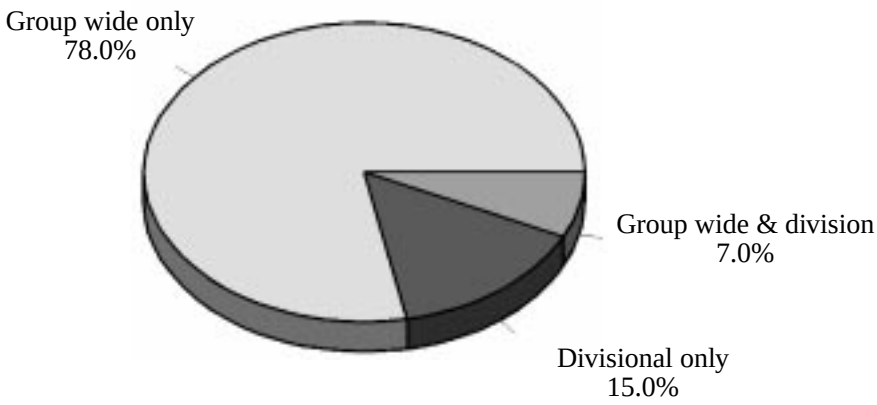
Operations in…	Number of cases	%
UK	244	63
Switzerland	72	19
Czech Republic	23	6
Hungary	20	5
Poland	16	4
Central Europe	*59*	*15*
Slovakia	9	2
Russia	4	1
Slovenia	4	1
Bulgaria	2	1
Eastern Europe	*19*	*5*
Turkey	4	1

Base: All agreements, N = 386.

3.3. Business structure covered

Another important dimension of the scope of EWCs is the question of whether they cover the entire group or an international business division. Some 78 per cent of all agreements cover the group as a whole, while 15 per cent are at the divisional level only. Seven per cent provide for a two-tier structure covering the group and the divisional level.

Figure 3.2. *Business structure covered*



Base: All agreements, N = 386.

Single-tier EWC structures at the level of the international business division are most likely to be found amongst non-European MNCs, where they account for almost four out of every ten cases. This may reflect the absence of an integrated group management structure within Europe amongst non-European based companies; lines of reporting primarily flow from the international

business divisions back to the corporate office in the home country rather than across business divisions within Europe. Amongst European-based MNCs, EWC structures at the level of the international business division are most likely to be found in Anglo-Irish MNCs. Here, however, two-tier arrangements at group and divisional level are as common as single-tier arrangements covering an international business division. EWC structures at the level of the international business division are least likely to be found amongst MNCs based in the Germanic-Dutch and southern European countries.

Table 3.4. *Coverage of business structure by country group*

(%)

	Group wide only	Divisional only	Both
Nordic	83	9	9
Germanic-Dutch	87	6	6
Franco-Belgian	85	12	3
Anglo-Irish	74	12	14
Southern Europe	86	7	7
North America	54	42	4
Asia	75	19	6
All countries	78	15	7

Base: Agreements where relevant information, N = 382.

Table 3.5. *Coverage of business structure by selected sector*

(%)

	Group wide only	Divisional only	Both
Mining & oil	46	46	9
Chemicals	91	6	3
Food, drink & tobacco	79	17	4
Metalworking	69	21	10
Pulp and paper	71	21	7
Textiles & clothing	64	18	18
Construction/Utilities	100	-	-
Financial services	84	5	11
All sectors	78	15	7

Base: Agreements where relevant information, N = 377.

The agreements also show some interesting differences by sector. In the construction industry all, and in the chemical industry nearly all, agreements cover the whole group. EWC structures at the level of the international business division are most common in mining and oil and textiles and clothing. Two-tier structures are most likely to be found in textiles and clothing, whereas single-tier divisional structures are most common in mining and oil. Agreements in the metalworking and paper sectors also showed a greater tendency to establish single-tier structures at the level of

the international business division than those in other sectors. As noted in Chapter 1, there was no evident difference in the incidence of divisional level EWC structures according to employment size.

Chapter 4 The Role and Competence of EWCs

4.1. Role

The provision of transnational information to and consultation with employees is an important requirement for the validity of an Article 13 agreement under the terms of the Directive. Accordingly, with just one exception, every agreement explicitly states that the purpose of the EWC is for the provision of information and consultation. Most commonly consultation is defined in terms of 'dialogue' or an 'exchange of views'. Definitions of the role of the EWC goes further in 14 per cent of cases. Seven per cent of agreements further define consultation, by providing explicit scope for employee representatives to formally comment and give opinions on management proposals. A more pro-active role is provided for in 6 per cent of cases: 4 per cent of agreements entitle the EWCs concerned to make recommendations and proposals of their own and 2 per cent allow for negotiations on certain issues. Agreements concluded by non-European MNCs are less likely to accord EWCs a pro-active role. Amongst European-based MNCs, agreements in those from the Franco-Belgian countries are the most likely to accord EWCs a pro-active role with the least likely being agreements in companies from southern Europe.

Table 4.1. *Role of EWCs*

	(%)
Information and consultation	99
Giving opinion/comments	7
Making recommendations	4
Negotiations	2

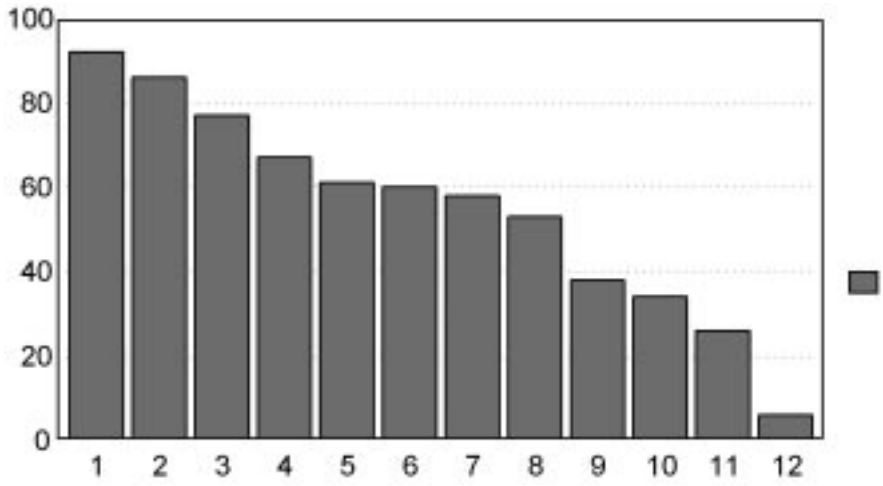
Base: All agreements, N = 386.

Overall, it can be concluded that the scope of the involvement accorded to employee representatives on EWCs remains within the boundaries specified by the Directive; EWCs are about information and consultation. The fears voiced by some European employers' organisations prior to the introduction of the Directive, that the establishment of EWCs would swiftly trigger provisions for negotiations at the European level within MNCs, have been realised in only a small number of cases. That such fears had some grounds is, however, indicated by the fact that the seven agreements which accord the EWC some negotiating role were all concluded before the adoption of the Directive in September 1994.

4.2. Competence

All but six agreements identify the kinds of issue which are regarded as being within the competence of the EWC. Although they illustrate the range of matters which are considered to be within the competence of EWCs, the issues identified should not be taken as being exhaustive of the matters which may be considered by an EWC. Importantly, some agreements may have been more comprehensive in specifying issues regarded as being within the competence of the EWC than others.

Figure 4.1. *Competence of EWCs*



Base: Agreements with relevent information, N = 380.
Note: The most common issues dealt with by EWCs (issues cited in over 5 % of agreements).

1 = Economic and financial situation	7 = Organisation
2 = Employment/social issues	8 = Transfers/mergers/cutbacks/closures/ collective redundancies
3 = Business/production/sales	9 = Health and safety
4 = Investment	10 = Environment
5 = New working methods/technology	11 = Training
6 = Structure	12 = Equal opportunities

There is widespread consensus across agreements over a limited number of core issues to be considered and discussed between employee representatives and management. Thus, around nine out of every ten agreements stipulate an exchange on the economic and financial situation and on employment and other social issues. Two-thirds and more of the agreements identify information on business performance, production and sales and on investment decisions. In these respects, the agreements reflect closely the subsidiary requirements laid out in the Directive, which highlight these issues. It is, however, surprising that this does not extend to the potentially contentious issue of transfer of production, mergers, cutbacks, closures and collective redundancies; an issue particularly highlighted by the closure of the Vilvoorde plant of Renault in 1997. Despite the fact that it is one of those issues highlighted in the Directive's subsidiary requirements, it is mentioned in only around one-half of agreements. Likewise, changes concerning the organisation of the company are only mentioned in just over one-half of cases.

Just over one-half of agreements identify new working methods and production processes as amongst the matters within the competence of EWCs, reflecting more recent developments in involving employee representatives in such matters at national and local levels within companies. More than one-third of the companies stipulate issues of health and safety, which figure prominently within European legislation on working conditions. Training issues and the external environment also feature in the text of a significant minority of agreements. Of particular note is the small proportion of cases in which equal opportunities issues are explicitly identified as being within the competence of the EWC.

Despite the fact that most agreements mention core issues such as the economic and financial situation and employment and social issues, there is a significant divergence according to the home country of the MNC. The strongest contrast is between agreements amongst MNCs based in southern Europe and those concluded amongst companies based in Asia. Thus the economic and financial situation is mentioned in all agreements in MNCs based in southern Europe, but in only seven out of ten cases amongst companies based in Asia. Likewise, employment and social issues are cited in all southern European agreements, but in barely more than one-half of those in MNCs based in Asia. On other matters, differences according to the country of origin of MNCs are even greater. The largest range concerns training, which is mentioned in two-thirds of agreements in MNCs from southern Europe but less than five per cent of agreements amongst Asian-based MNCs.

Looking at the overall picture, a clear pattern emerges. Out of the twelve issues identified when analysing the text of agreements, seven are most likely to be mentioned amongst those in MNCs based in southern Europe. Agreements amongst MNCs in the Germanic-Dutch countries are the most likely to mention a further three of the topics identified. In formal terms the least open agenda for discussion appears to be found amongst EWCs in MNCs based in Asia: of the twelve issues identified, six are least likely to be mentioned in agreements in this group of countries.

These findings should, however, be interpreted carefully: mention of an issue in an agreement is not necessarily an indication of the importance which the parties attach to it, neither of course is

it a proxy for actual practice within an EWC. For example, agreements amongst MNCs based in the Nordic countries are less likely to mention several of the issues identified than those amongst MNCs based elsewhere in Europe. Thus, only one in five agreements amongst MNCs based in Nordic countries mention health and safety. This is almost certainly not an indication that health and safety matters are regarded as being unimportant in the majority of cases. Rather, it may indicate that within a Nordic context health and safety issues are normal ingredients of an exchange between employee representatives and management. Or, and this would be a second reason, it may indicate that the partners within Nordic companies regard the local, and not the European, level as constituting the relevant arena for discussion of health and safety issues. At the other extreme is the extent to which many issues are explicitly cited in agreements amongst MNCs based in southern Europe. The extent to which the competence of EWCs is formally specified may be an indication either of the absence of long-standing experience with procedures for employee information and consultation or of a lack of trust between the parties.

4.3. Specifically excluded issues

Nearly half of the Article 13 agreements (48 per cent) specify issues which the EWC is excluded from considering. Of these 185 agreements, nine out of every ten exclude issues already dealt with on the local and national levels. This total represents 42 per cent of all agreements. Following the logic of the text of the Directive, these agreements apply a kind of ‘subsidiarity principle’. What specific matters have been explicitly excluded? Pay and remuneration matters are specified in 19 per cent of agreements. Such provision is a clear indication of intent to separate the collective bargaining process on the one side and information and consultation on the other. Industrial disputes, political matters and personal matters are specified in a smaller proportion of agreements.

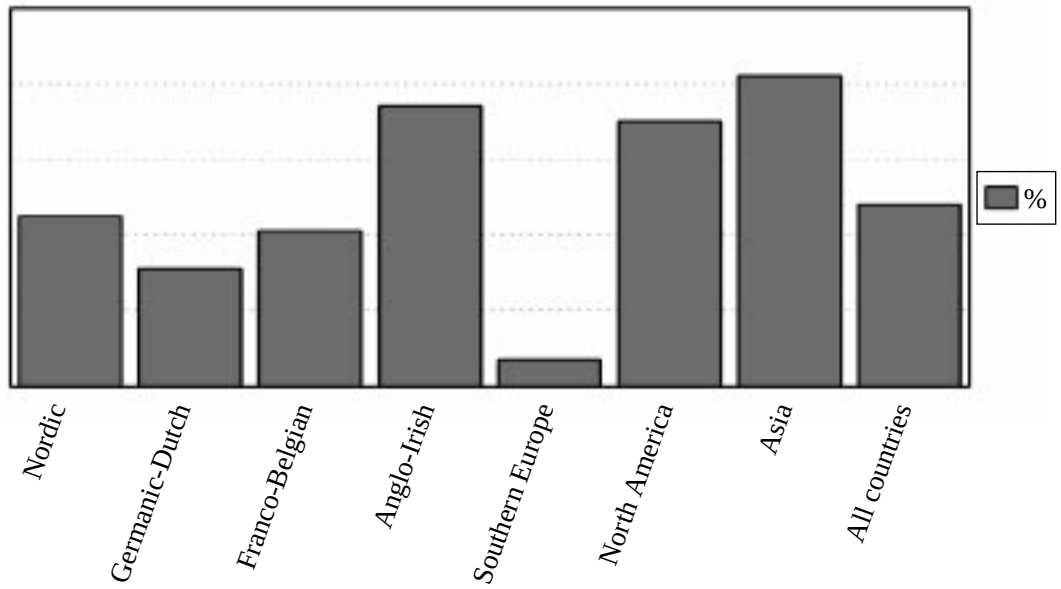
Table 4.2. *Specifically excluded issues*

	(%)
Issues dealt with on local or national level	42
Pay, remuneration	19
Industrial disputes	4
Personal matters	7
Political matters	5

Base: All agreements, N = 386.

Exclusion clauses are most common amongst agreements in Anglo-Irish and non-European based MNCs. An explanation may lie in the absence of any established national practice in terms of works councils in these countries. As a result negotiators may consider it more necessary to spell out any matters which are considered to be outside the competence of the EWC. In particular, this might apply to pay and remuneration matters given that the boundary between rights to information and consultation, on the one hand, and those to negotiation, on the other, is less clearly demarcated in institutional terms in the industrial relations systems of the Anglo-Irish

Figure 4.2. *Exclusion of specific issues*



Base: All agreements, N = 386.

and north American countries. In contrast, agreements amongst MNCs based in southern Europe are the least likely to specify any issues which the EWC is excluded from considering.

At sector level, clauses excluding EWCs from considering one or more specific issues are most common in transport, but found least in construction and the utilities. There is also a significant difference between large and smaller/medium sized MNCs. One-third of the former, but two-thirds of the latter, explicitly exclude certain issues from the agenda.

Agreements signed with works council representatives are the least likely to have exclusion clauses, whereas those signed with 'employee representatives' (either solely or in combination with established representatives) are the most likely to have exclusion clauses. There is a difference too between agreements signed before and after September 1994, with the early agreements being significantly less rigid in terms of excluding any issues from consideration than those concluded once the Directive had been adopted. Agreements signed since September 1994 appear to be focused more strongly on the 'corridor of issues' defined by the Directive.

Chapter 5 The Composition of the EWC

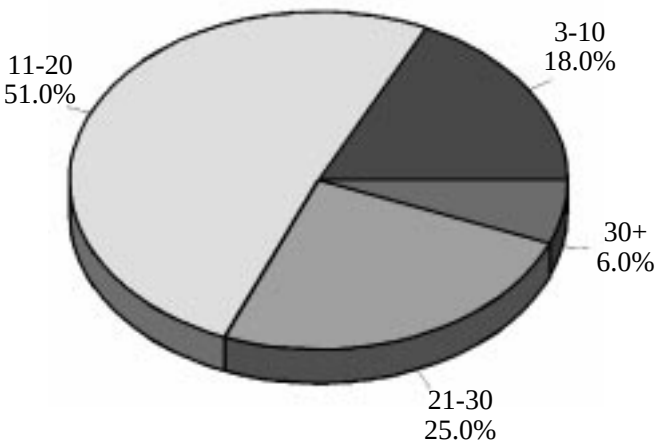
The size and composition of the employee-side of EWCs established under Article 13 and the ways in which employee representatives are elected or appointed vary greatly between agreements. So too do provisions, if any, for trade union officials and/or other persons such as guests, observers or experts to attend EWC meetings by right or by invitation. As Carley and Hall (1996) observe in their earlier analysis of 51 agreements, almost every agreement provides for a different system or formula. Nonetheless, it is possible to identify some patterns of similarity and difference between agreements.

5.1 The number and geographical distribution of employee representatives

The number of employee representatives on an EWC can be calculated in around two-thirds of cases. Most of the other cases specify a formula for establishing the number of employee representatives, but do not indicate allocations to the different country, size, business or occupational categories or give an overall number. Of the 248 agreements for which the number of employee representatives can be calculated, 18 per cent establish EWCs comprising 10 or fewer employee representatives. The largest proportion, 51 per cent, have between 11 and 20 employee-side members, and a further 25 per cent have between 21 and 30 members. Just 6 per cent comprise more than 30 employee representatives. The three smallest EWCs each have 3 members, whilst the largest has 70. Overall, over 90 per cent of agreements are in step with the Directive's subsidiary requirements, which specify a minimum of 3 and a maximum of 30 employee representatives.

EWCs with 10 or fewer members are most common amongst agreements in MNCs based in the southern European and Germanic-Dutch countries and Asia, and least common amongst agreements in MNCs based in the Franco-Belgian countries and north America. Large EWCs, with more than 30 members, are most likely to be found amongst agreements in MNCs based in the Franco-Belgian countries. This may reflect perceived needs to accommodate multiple union constituencies from France. Turning to any sector differences, small EWCs are most common in the pulp and paper and textiles sectors, whilst large EWCs are more common in chemicals than in other sectors. Not surprisingly, there is a distinct association with the employment size of the multinational organisations covered. None of the EWCs in smaller enterprises, and only 12 per cent of those in medium-sized companies, have more than 20 EWC members, whereas this is the case with 60 per cent of large multinational organisations. Agreements concluded with representatives of works councils, and those concluded with established employee representatives from one country only, are the most likely to establish EWCs with 10 or fewer members.

Figure 5.1. *Number of employee representatives on EWCs*



Base: Agreements where the number of employee representatives can be calculated, N = 248.

The 248 agreements also contain information on the geographical distribution of the members of EWCs. Caution is required in interpreting the figures, however, as the incidence with which such data are available varies across the country groups. Whereas 87 per cent of agreements amongst MNCs based in the southern European countries contained information on the geographical distribution of EWC membership and 80 per cent of those amongst MNCs based in the UK and Ireland, this was only the case in one-half of agreements amongst MNCs based in the Nordic countries and Asia.

There are employee members of EWCs from Germany in 87 per cent of these cases, followed by France (78 per cent of cases) and then, notwithstanding its exemption from coverage by the Directive, the UK (68 per cent of cases). One noticeable feature is the relatively high incidence of EWC representation from the countries of southern Europe, even allowing for the fact that data were available for 13 of the 15 agreements (87 per cent) concluded in MNCs based in these

countries. Thus, there are members from Italy and from Spain in 60 per cent of cases, from Portugal in 30 per cent and from Greece in 24 per cent of agreements. In addition to representation from single countries, there is provision for a representative from some combination of Benelux and Nordic countries in a small proportion of cases. Aside from the UK, representation from beyond those countries covered by the Directive is most common in the case of Switzerland, followed by the countries of central Europe.

Table 5.1. *Employee representation on EWCs by country*

Country	Number of agreements with representation	% of agreements with representation
Austria	91	37
Belgium	136	55
Denmark	65	26
Finland	46	19
France	194	78
Germany	216	87
Greece	48	20
Ireland	66	27
Italy	148	60
Luxembourg	23	9
Netherlands	140	56
Norway	59	24
Portugal	75	30
Spain	149	60
Sweden	76	31
Benelux	9	4
Nordic	7	3
Switzerland	42	17
UK	169	68
Czech Republic	14	6
Hungary	11	4
Poland	7	3
Slovakia	7	3
Central Europe	3	1
Turkey	6	2

Base: Agreements containing information on employee representatives, N = 248.

5.2 Allocation of seats

The way in which seats are allocated is specified in 84 per cent of agreements. Amongst those agreements which pre-date September 1994, this proportion is somewhat lower at 65 per cent. In the large majority of the agreements where it is specified, the basis on which seats are allocated

follows variants of one of two methods: a) a flat-rate allocation of seats to each country or operation covered; b) an allocation based on the size of the workforce in each country or operation covered.

The flat-rate method forms the basis of allocating seats in 35 per cent of agreements. In two out of every five of these cases, the method adopted is pure flat rate. In the other three out of five cases, the flat-rate principle is augmented by guaranteed or extra representation for one or more countries or operations. Typically, this may provide extra representation for operations in the home country because it has the largest workforce, or guarantee representation for operations in countries which fall below any employment size threshold (see below) or guarantee representation for the different business divisions of a multinational group. Allocation of seats according to workforce size is the basis specified in the largest proportion of agreements, 62 per cent. In three-quarters of such agreements, the method adopted is solely workforce size related. In the other one-quarter, there are provisions for extra or guaranteed representation for particular countries or operations.

Table 5.2. *Basis of allocation of EWC seats*

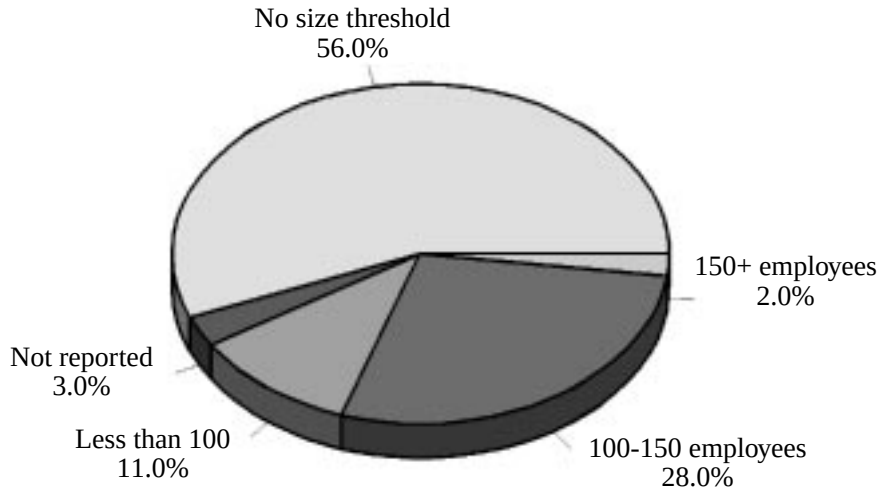
	(%)
Any flat rate	*35*
Flat rate only	14
Flat rate, but with guaranteed/ extra representation for one or more countries	21
Any workforce size related	*62*
Workforce size related only	47
Workforce size related, but with guaranteed/extra representation for one or more countries	15
Any with guaranteed/extra representation	*36*
Other	2

Base: agreements identifying basis of allocation of seats, N = 325.

In total, 36 per cent of agreements provide for extra or guaranteed representation for particular countries or operations. In 14 per cent of agreements, the basis for allocating seats ensures representation for the different business divisions within a multinational group, or from the different sectors in which it operates. The basis for allocating seats distinguishes between different kinds of operations, such as production sites and sales or distribution sites, in 5 per cent of cases. The allocation of seats is designed to secure representation for different occupational groups amongst the workforce in just 3 per cent of cases.

Almost one-half of all agreements (44 per cent) specify that operations in particular countries will be directly represented on the EWC only if employment exceeds a given threshold. The most common size thresholds are 100 and 150 employees, which account for two-thirds of such cases (equally divided one-third at 100 employees and 150 at employees). Most of the remainder specify smaller thresholds, at 50 employees for 14 per cent of relevant cases and less than this in

Figure 5.2. *Employment size threshold for EWC representation*



Base: All agreements, N = 386.

a further 11 per cent. In 5 per cent of cases where a threshold is specified, it is larger than 150 employees. Such thresholds may be designed to avoid automatic representation on EWCs from countries where operations are sales outlets only.

The Directive's subsidiary requirements guarantee a minimum of one seat for each of the 17 EEA countries in which the multinational group has an operation, with further seats being allocated according to workforce size. But they specify no employment size threshold for operations in any given country. In adopting the workforce size principle for allocating seats, a majority of agreements appear to be in step with this approach. Yet, in specifying an employment size threshold when allocating seats to countries or operations, a substantial proportion of Article 13 agreements differ from the terms of the Directive.

Turning to any differences in the basis adopted for allocating seats between agreements in different types of company, variants on the flat-rate method are more common amongst EWCs in companies based in the Germanic-Dutch group of countries than those elsewhere. Agreements in Franco-Belgian and north American organisations are more likely to adopt the workforce size method than those elsewhere. Employment size thresholds in allocating seats to countries or operations are most common amongst agreements in Franco-Belgian companies, and least so amongst agreements in Anglo-Irish companies.

In terms of sector, agreements in paper and printing and in construction and the utilities are more likely to adopt the flat-rate method than those in other sectors. Workforce size thresholds are most likely to be specified in agreements in construction and the utilities. There is little difference in the basis of allocating seats according to either employment size or whether

agreements are group-wide or divisional in scope, although not surprisingly agreements which provide for group and divisional level EWC arrangements are markedly more likely than others to specify a divisional or sectoral dimension to the formula adopted.

5.3 The selection of employee representatives

The membership of all EWCs involves 'lay' employee representatives, who must be employees of the multinational group or company. The subsidiary requirements of the Directive spell out that the election or appointment of such employee representatives must be carried out in accordance with national practice or legislation. Almost all the agreements set out the way(s) in which these 'lay' employee representatives are to be elected or appointed. Three variants, and combinations of these, are evident. Following the terms of the Directive, a first is in accordance with national law and/or practice. A second variant leaves the procedure for selecting employee representatives to be determined by subsequent agreement or consultation, whilst the third stipulates some specific means of electing or appointing employee representatives. In practice, the specific means identified may well correspond to national law and/or practice in the countries concerned. Within any given agreement, different means may be utilised in different countries. Moreover, the alternative methods may be used as the primary means of selecting employee representatives in some or all countries, or as supplementary means. Each of these aspects is examined below.

Table 5.3. *Method of selection of employee representatives*

	(%)
Any according to national law/practice	*63*
According to national law/practice in all countries	50
According to national law/practice in some countries and by some specific means in others	13
By subsequent agreement or consultation	4
Any by specific means	*40*
By some specific means in all countries	25
By some specific means in some countries and by another method in other countries	16
Other	1
No means specified	5

Base: All agreements, N = 386.

Selection of representatives in accordance with national law and/or practice is the method specified for the election or appointment of representatives in all countries covered by a given agreement in one-half of all cases. It is found in combination with a second method, each applying to some but not all countries covered, in a further 13 per cent of agreements. The second method, which leaves the procedure for selecting employee representatives to be determined by subsequent agreement or consultation, is less widespread. It is specified as the

sole method in 4 per cent of agreements and in combination with another method in a further 2 per cent. Third, one-quarter of agreements specify some specific means of electing or appointing employee representatives as the method applying in all countries covered. This method is found in combination with other methods, each applying to some but not all countries, in a further 16 per cent of cases. In 1 per cent of cases, some method other than the three considered applies and in 5 per cent of agreements no method for selecting employee representatives is specified.

Where agreements specify particular means for the election or appointment of employee representatives, the three most frequently cited are appointment from national works councils (64 per cent), nomination by trade unions (45 per cent) and direct elections amongst employees (40 per cent). Other means are cited in 7 per cent of cases. A significant number of agreements (37 per cent) specify two or more selection methods, with the method varying according to country or with methods being prioritised in relation to each other in any given country. Amongst agreements specifying trade union nomination, it is the primary or only method used to select employee representatives in all countries covered by a given agreement in nearing 30 per cent of cases, and in some countries covered in just over 60 per cent. It is specified as a subsidiary method, to be used if other methods are not feasible, in only 3 per cent of cases. Amongst agreements specifying appointment by national works councils, it is the primary or only method used in all countries covered in just over half of all agreements, and in some of the countries covered in around 40 per cent. Appointment from a national works council is specified as a subsidiary method in only 2 per cent of cases. Overall, where agreements specify particular means, established forms of employee representation, either through trade unions or national works councils, are used as the primary method of selecting employee representatives in some or all countries in four out of every five cases.

In contrast, direct election of representatives from amongst employees is most frequently used as a subsidiary method, where other methods are not possible (57 per cent of all relevant cases). Where direct elections are specified as the only or primary method, instances where this applies to all countries covered by an agreement are exceeded by those where it applies in some countries only by a ratio of two-to-one. Overall, of the agreements which stipulate specific means for selecting employee representatives, direct elections are the only or primary means specified in some or all countries in around one in every six cases (15 per cent).

Selection of employee representatives according to national law or practice is more common amongst agreements in companies based in the Nordic and German-Dutch countries than elsewhere, whilst agreements in companies based in the Franco-Belgian countries are more likely to prescribe some specific means. Those in Anglo-Irish companies are the most likely to specify a combination of methods, reflecting the absence of universal provisions in law or stemming from basic agreements for employee representation in these countries. Where specific means are identified, trade union nomination is more prevalent amongst agreements concluded by companies based in the Nordic, Franco-Belgian and southern European countries, and is least likely in agreements in Germanic-Dutch and also in north American companies, reflecting differences in national structures of employee representation within enterprises. Conversely,

appointment from national works councils is most common in agreements amongst companies based in the Germanic-Dutch countries, but also in those based in north America. Direct elections are most frequently specified as a means of selecting representatives in agreements in companies based in the UK and Ireland, and in north America.

Few marked differences between sectors in the methods of selection specified in agreements were evident. Agreements in food and drink, paper, construction and the utilities and financial services were more likely to specify a combination of methods than those in other sectors. Differences in the specific means identified in relevant agreements were, however, evident. Trade union nomination is most prevalent in agreements in textiles and clothing, appointment from national works councils is most frequently found in chemicals and direct elections in financial services. A distinct size effect is evident in the incidence of trade union nomination: it is found in only 9 per cent of agreements in small organisations where specific means are cited, compared to 33 per cent of medium- and 70 per cent of large-sized organisations.

Agreements which pre-date September 1994 are noticeably less likely to specify selection according to national law or practice than those signed after the Directive was adopted (37 as compared with 67 per cent), and more likely to leave selection to be determined by subsequent agreement or consultation or by some specific means. This is indicative of the influence of the Directive's subsidiary requirements on later agreements. Trade union nomination is also more prevalent amongst agreements pre-dating September 1994 than those signed after the Directive was adopted.

5.4 External participants

In addition to the 'lay' employee representatives, the employee side of one-third of EWCs comprises other, external participants. The identity of these external participants, and whether they attend by right or by invitation, varies considerably. In 17 per cent of agreements the employee side includes external parties who are full members of the EWC. In nine out of every ten cases these are trade union officials, with an equal split between officials of international trade unions and those of national trade unions. Twenty-one per cent of agreements make provision for external participants, who are not members in formal terms, to attend EWC meetings by right. Officials of trade unions are amongst the persons concerned in one-half of these cases, with international trade union organisations being cited almost twice as frequently as national trade unions. The difference between external participants being full members of EWCs and attending meetings as of right appears to be a formal one with no significant implication.

The subsidiary requirements of the Directive provide for the employee side to be assisted by 'experts' (see Chapter 8). 'Experts' are cited as having the right to attend EWC meetings in 10 per cent of agreements; more commonly they may attend by invitation (see below). 'Observers' (from operations in countries not represented on the EWC), 'guests' or 'others' are identified as having the right to attend in 7 per cent of cases. Overall, the 33 per cent of agreements where external participants are full members of EWCs, or can attend by right, includes 23 per cent

identifying trade union officials amongst such persons. In addition, the 'expert', 'observer' and 'guest' categories almost certainly result in the involvement of officials of international and national trade unions in a good proportion of other cases.

Table 5.4. *External participants as full EWC members or attending by right*

	(%)
Full members	17
Attend EWC meetings by right	21
Any externals attending by right	*33*
Of which:	
International trade union officials	14
National trade union officials	12
Unspecified trade union officials	2
Any trade union officials	*23*
Experts	10
Observers	2
Guests/Others	5

Base: All agreements, N = 386.

Many more agreements provide for external participants to attend EWC meetings by invitation, either of the employee side alone or jointly with management. Sixty-nine per cent of agreements make provision for such invitations, including 49 per cent where there are neither external participants who are full members of the EWC nor any with the right to attend meetings. 'Experts' are the most frequent category of person specified by invitation, cited in one-half of agreements. 'Guests' are cited in 16 per cent of cases and observers in 7 per cent. Trade union officials are specified in 18 per cent of cases. Again, the 'expert', 'observer' and 'guest' categories probably result in the involvement by invitation of officials of international and national trade unions in a further proportion of cases. Almost one in five agreements (18 per cent) make no provision for the involvement of external persons in the EWC, either as of right or by invitation.

Table 5.5. *External participants attending EWCs by invitation*

	(%)
Any externals attending by invitation	69
Of which:	
International trade union officials	10
National trade union officials	9
Unspecified trade union officials	3
Any trade union officials	*18*
Experts	51
Observers	7
Guests / Others	16

Base: All agreements, N = 386.

External participation as of right – either where external participants are full members of EWCs, or where they attend meetings by right – is more likely amongst agreements in companies based in the Franco-Belgian, Anglo-Irish and southern European countries than those in companies based in the Nordic or Germanic-Dutch countries or countries outside of Europe. Agreements in companies based in the Germanic-Dutch and Nordic countries are most likely to provide for external participants by invitation, whilst those in north American and Asian based companies are the least likely to provide any scope for external participants in EWCs, either by right or by invitation. Only one agreement amongst MNCs based in Asia provides for external participants as of right. Trade union officials are most likely to participate as of right in EWCs in MNCs in southern Europe, followed by those in the UK and Ireland.

Table 5.6. *External participants by country of origin*

(%)

Country of origin	External participants by right	TU officials participate by right	External participants by invitation only	No external participants
Nordic	32	17	51	17
Germanic-Dutch	29	18	57	15
Franco-Belgian	43	30	39	18
Anglo-Irish	46	39	40	14
Southern Europe	60	53	27	13
North America	25	13	47	28
Asian	6	-	71	24
All countries	33	23	49	18

Base: All agreements, N = 386.

External participation as of right is most frequent in EWCs in food and drink, textiles and clothing and financial services, where trade union officials are also most likely to be participants as of right. External participation is least frequent in mining and oil, in chemicals and in metalworking. EWCs in chemicals, metalworking and paper are the most likely to involve external participants by invitation. Those in mining and oil are the least likely to involve any external participants. EWCs in large organisations are more likely to provide for external participation as of right than those in medium- or small-sized organisations. The latter are more likely to provide scope for external participants by invitation. The smallest EWCs, comprising ten or fewer members, are also less likely to have external participants as of right than larger bodies.

Whereas agreements which pre-date September 1994 are no more or less likely than those signed later to include external participants as full members of EWCs, they are noticeably less likely to have external participants attending EWC meetings either by right or by invitation. Agreements are noticeably more likely to provide for external participants as of right where they have been signed by trade union organisations, whilst those signed with works council representatives are

more likely to provide for externals to participate by invitation. Those agreements signed with trade unions or works councils from one country only are less likely to make provision for any external participants than those concluded with established employee representatives from two or more countries. Agreements signed with unspecified employee representatives are the least likely to make provision for external persons to participate in EWCs.

Table 5.7. *External participants by selected sector*

(%)

Sector	External participants by right	TU officials participate by right	External participants by invitation only	No external participants
Mining and oil	18	9	18	64
Chemicals etc.	20	14	61	20
Food and drink	60	47	32	9
Metalworking	22	9	55	23
Pulp and paper	29	7	50	21
Textiles etc.	58	58	42	-
Construction etc.	46	31	39	15
Finance etc.	60	45	30	10
All sectors	33	23	49	18

Base: All agreements where sector identifiable, N = 377.

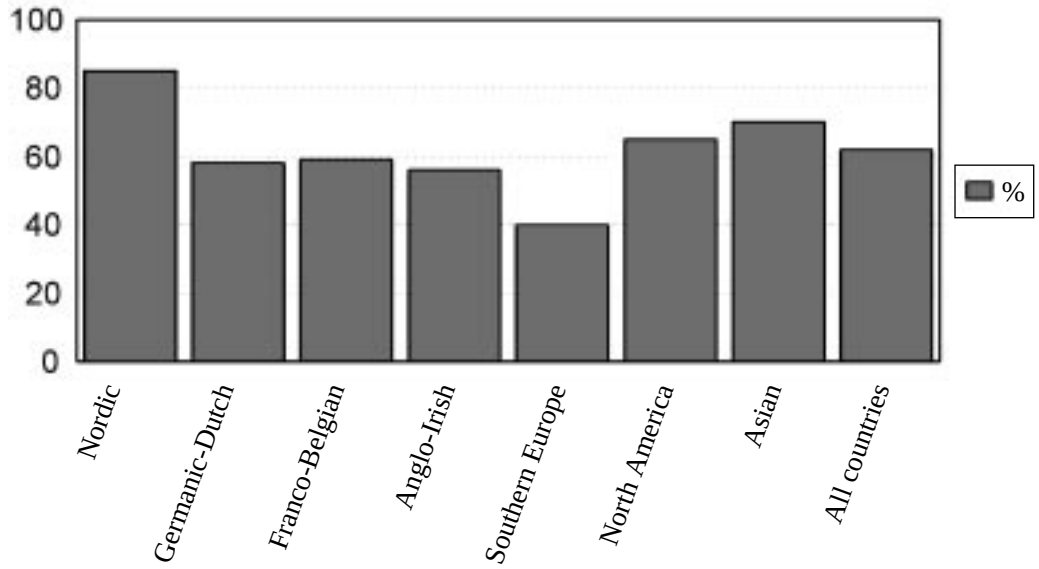
Overall, the extent of the involvement of trade union officials in EWCs stands in marked contrast to the terms of the subsidiary requirements of the Directive. Whereas the subsidiary requirements provide for the employee-side of EWCs to be comprised only of representatives who are employees of the multinational group or company concerned and who are to be assisted by unspecified ‘experts’, officials of international and national trade union organisations are either full members of EWCs or can attend EWC meetings by right in 23 per cent of Article 13 agreements. In a further 14 per cent of cases they may attend by invitation, and in an unknown number of further cases they may well constitute the ‘experts’, ‘guests’ or ‘observers’ who may attend as of right or by invitation. By tending not to explicitly provide for trade union officials to participate in EWCs, it is agreements in companies based in north America that appear to have remained closest to the subsidiary requirements of the Directive.

Chapter 6 The Select Committee

6.1. Presence of a select committee

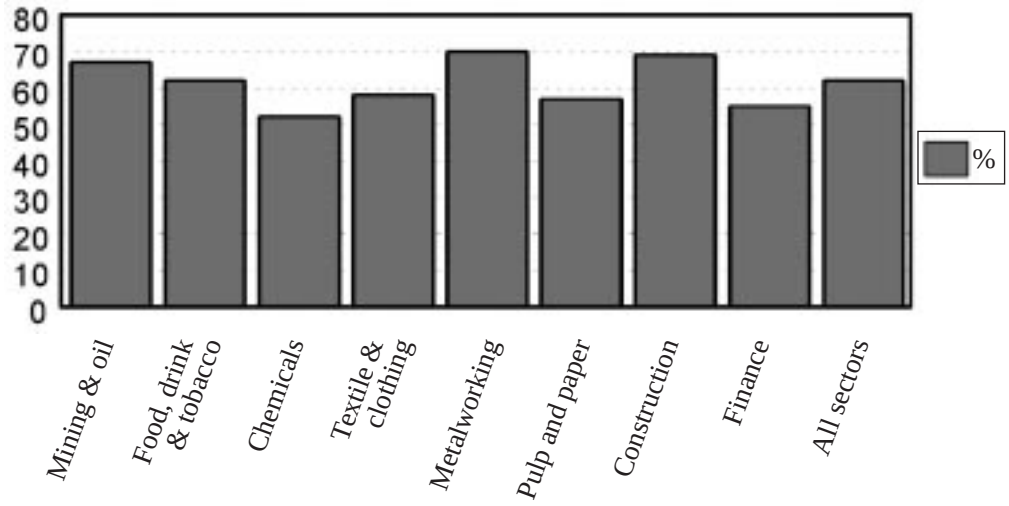
Sixty-two per cent of all agreements establish a select committee or bureau. The Directive's subsidiary requirements advise the establishment of a select committee or bureau by an EWC where its size warrants it. Accordingly, select committees are more common amongst larger than smaller EWCs. Whereas two-thirds of EWCs with more than 20 members have established select committees, this is the case with only one-third of EWCs with ten or fewer members. The

Figure 6.1. *Select committee by home country*



Base: All agreements with relevant information, N = 382.

Figure 6.2. *Select committee by selected sector*



Base: All agreements with relevent information, N = 377.

influence of the Directive is further evident in the fact that fewer than 40 per cent of agreements which pre-date September 1994 provide for the establishment of a select committee.

Select committees are most likely to be found amongst EWCs in MNCs based in the Nordic countries, whereas they are least likely to be found amongst EWCs in MNCs based in southern Europe (where the incidence of EWCs with 10 or fewer members is also greatest - see Chapter 5). Select committees are slightly more likely to be found amongst EWCs in MNCs based in north America and Asia than amongst EWCs in MNCs headquartered in European countries outside of the Nordic area.

Turning to differences by sector, select committees are most common amongst EWCs in metalworking, construction and the utilities and mining and oil. They are least common amongst EWCs in the chemicals sector, despite the fact that larger EWCs, comprising 30 or more members, are more likely to be found in chemicals than in other sectors (see Chapter 5). The likelihood of a select committee being established increases with the employment size of the multinational organisation.

Further differences in the incidence of a select committee are evident according to the nature of the EWC involved. Select committees are more common amongst EWCs comprised of employee representatives only than in the case of joint bodies. This may reflect a greater need on the part of employee-side only EWCs for an ongoing structure to interface with management between EWC meetings. The presence of external participants as of right at meetings of the EWC, including trade union officers, is also more common amongst EWCs with select committees than those without. Select committees are relatively less likely to be provided for in agreements signed by established employee representatives (trade unions or works councils) from just one country, as compared to agreements signed by established representatives from two or more countries.

6.2. Joint or employee-side only select committee

Like the composition of the EWC, select committees can be constituted as joint management-employee structures or as an employee-side body only. The great majority (71 per cent) are employee-side only structures. Where EWCs which are comprised of employee representatives only establish a select committee, the select committee is also employee-side only in nine out of every ten cases. Amongst EWCs which are joint management-employee bodies, joint select committees are more common, being found in six out of every ten cases.

Employee-side only select committees outnumber committees which are joint structures amongst EWCs in MNCs based in most country groups. Only amongst EWCs in MNCs based in the Nordic and Anglo-Irish countries are select committees as likely to be constituted as joint bodies. Turning to differences by sector, select committees in metalworking are more likely to be employee-side only than those in other sectors. Select committees in food and drink are the most likely to be constituted as joint bodies.

Table 6.1. *Structure of select committee by country group*

(%)

	Joint management/ employee	Employee only	No select committee
Nordic	40	44	16
Germanic-Dutch	9	49	42
Franco-Belgian	15	44	41
Anglo-Irish	28	27	45
Southern Europe	13	27	60
North America	14	51	35
Asian	24	47	29
All countries	18	44	38

Base: All agreements with relevant information, N = 381.

In terms of the nature of the EWC involved, where agreements signed by works council representatives establish a select committee, these are almost always employee-side only structures. In contrast, jointly constituted select committees are most common amongst those agreements concluded with unspecified ‘employee representatives’. A related contrast between employee-side only and joint select committees is in the extent to which there is provision for external participants by right, or by invitation, to attend EWC meetings. In both cases this is markedly more likely where select committees are employee-side only bodies.

6.3. Responsibilities of the select committee

The responsibilities of select committees most commonly include agenda setting (three-quarters of all cases), preparing and organising EWC meetings and communication, liaison or

coordination (more than 50 per cent of cases). Over forty per cent of select committees have responsibility for the drawing up of minutes or a communiqué following EWC meetings. Of the responsibilities identified in Table 6.2, four might be taken as proxies for a degree of 'real' decision making power and ongoing influence for employee representatives. These are calling extraordinary meetings; receiving information and consultation in specific circumstances; receiving information and consultation on an ongoing basis; and managing the budget for the EWC. The first two relate to extraordinary circumstances: select committees are fully or partly responsible for calling extraordinary meetings in 35 per cent of cases; and agreements specify that they shall receive information and be consulted in specific circumstances in 28 per cent of cases. Fewer select committees have the right to receive information and consultation on an ongoing basis, or to manage the budget of the EWC.

Table 6.2. *Responsibilities of the select committee*

	(%)
Communication/liaison/coordination	52
Preparing/organising EWC meetings	58
Agenda setting	74
Time & place of EWC meetings	26
Drawing up minutes/communiqué	44
Managing budget	6
Receiving info/consultation in specific	28
Receiving ongoing info/consultation	11
Calling extraordinary EWC meetings	35
EWC seat allocation	3
Selection of experts/advisers	22
Wider information dissemination	11
Other	13

Base: Agreements with select committee, N = 238.

Differences in the responsibilities of select committees are evident according to country of origin. EWCs in MNCs based in the Germanic-Dutch countries are the most likely to have select committees which receive ongoing information and consultation, manage a budget and have responsibilities in relation to extraordinary meetings. Those in the Germanic-Dutch countries are also the most likely to be involved in setting the time and place of EWC meetings, and to have a role in selecting experts. More than one-quarter of select committees in EWCs amongst MNCs based in the Nordic countries receive ongoing information and manage a budget. In contrast, select committees in EWCs amongst MNCs based in the Anglo-Irish countries are the least likely to have decision making powers or any ongoing influence.

Turning to sector, select committees amongst EWCs in metalworking are the most likely to have some decision-making powers and ongoing influence, whilst those in food and drink are more likely than those in other sectors to have rights to receive information in specific circumstances

and in relation to extraordinary meetings, than those in other sectors. In contrast, select committees amongst EWCs in finance are rather less likely to have decision-making powers or any ongoing influence. Those in chemicals are also less likely to have rights to ongoing information. In terms of employment size, amongst small and medium-sized multinational organisations, there are no select committees with rights to ongoing information or which manage a budget: all the select committees with these rights are found in larger enterprises.

Table 6.3. *Decision making responsibilities of select committee*

(%)

	Managing budget	Receiving specific information	Receiving ongoing information	Calling extraordinary meetings
Nordic	27	12	28	15
Germanic-Dutch	47	44	40	41
Franco-Belgian	-	12	12	15
Anglo-Irish	-	-	-	7
Southern Europe	7	3	8	2
North America	13	24	8	16
Asia	7	5	4	5
All countries	6	28	11	35

Base: Agreements with select committee. N = 238.

Some differences according to the nature of the EWC are evident. EWCs which comprise employee representatives only are noticeably more likely to have select committees with some decision making powers and ongoing influence than is the case where EWCs are constituted as joint bodies. This is most likely associated with the difference in the role of select committees amongst EWCs in the Nordic and Germanic-Dutch countries, as compared to elsewhere. Rights for select committees to receive ongoing information and to manage a budget were confined to EWCs signed by established employee representatives (either trade unions or works councils). No such rights were evident amongst select committees in EWCs concluded with unspecified employee representatives (although they were more likely than agreements concluded with established representatives to be accorded responsibilities in relation to extraordinary meetings).

Finally, agreements signed after the Directive was adopted specify in more detail the responsibilities and rights of the select committee. The agreements which pre-date September 1994 tend to focus on just four activities: communication or liaison, preparation and organisation of EWC meetings, agenda setting and receiving information and consultation in specific circumstances.

Chapter 7 EWC Meetings

This chapter reports on:

- how often European Works Council (EWC) meetings are held;
- the standing orders defining how meetings are chaired, structured, and minuted;
- the framework conditions such as the provision of language services, provisions concerning confidentiality and the protection of employee members of EWCs.

7.1. Ordinary meetings

Eighty-seven per cent of agreements stipulate that there should be one ordinary meeting of the EWC each year. This corresponds to the subsidiary requirements of the Directive. In the other 13 per cent of cases, ordinary meetings are convened more frequently, almost always twice a year. Agreements amongst MNCs based in the Nordic countries are the most likely to convene meetings more frequently than once a year. Conversely, those amongst MNCs based in southern Europe and in north America are the least likely to do so.

There is a notable difference between the production and service industries, with EWC meetings more frequently than once a year being rather less likely in the former than in the latter. In particular, the chemical and construction and utility sectors are unlikely to have EWCs which meet more often than once a year. However, in the service sectors one-quarter of agreements (twice the overall average) allow for meetings more frequently than once a year. This is particularly so in the finance sector. It may be that MNCs in the service industries, with an above-average level of transnational inter-communication, see EWCs as contributing to cross-border social cohesion within the company.

Table 7.1. *Ordinary meetings by country group*

(%)

	One meeting per year	Two meetings per year
Nordic	75	25
Germanic-Dutch	87	13
Franco-Belgian	85	15
Anglo-Irish	88	12
Southern Europe	93	7
North America	95	5
Asia	88	12
All countries	87	13

Base: All agreements, N = 386.

Table 7.2. *Ordinary meetings by selected sector*

(%)

	One meeting	Two meetings
Mining & oil	100	-
Chemicals	96	5
Food, drink & tobacco	91	9
Metalworking	87	13
Pulp and paper	86	14
Textiles & clothing	83	17
Construction/Utilities	100	-
Financial services	75	25
All sectors	87	13

Base: Agreements where relevant information, N = 377.

Twenty-four per cent of the agreements which pre-date September 1994 provide for more than one meeting a year, as compared with 12 per cent of those concluded after the Directive had been adopted.

7.2. Extraordinary meetings

Eighty-one per cent of all the agreements allow for extraordinary meetings to be convened. Such additional meetings may take place when ‘exceptional circumstances’ have occurred, or where both sides believe that extraordinary meetings are necessary and would be beneficial. Provisions for extraordinary meetings are least likely to be found amongst agreements in MNCs based in the UK and Ireland. Agreements in chemicals and textiles and clothing are less likely than those in other sectors to make provision for extraordinary meetings. Again, a difference is evident between agreements made pre- and post-September 1994, with provision for the convening of

extraordinary meetings being more common amongst the latter. Here too, the Directive's subsidiary requirements would appear to have been an influence.

In terms of the structure of the EWC, there is a conspicuous link with the existence of a select committee. Extraordinary meetings are more likely to be provided for where agreements establish a select committee than where they do not. Taken together, these two provisions reinforce the capacity of the EWCs concerned to develop into structures playing an ongoing role.

These extraordinary meetings may be held in various forms, namely: a) as a full EWC plenary session; b) as a select committee meeting; and/or c) as a combination of the select committee and the representatives of such members of the workforce whose operational areas are affected by the management decisions in question. In roughly one-quarter of the agreements concerned, there is provision for different types of extraordinary meetings to be called according to circumstance. Amongst the 314 agreements making provision for extraordinary meetings, a full session of the entire EWC may be convened in 65 per cent of cases. Around 20 per cent of agreements allow for extra meetings between management and the select committee. Twenty per cent provide for meetings with the select committee, together with representatives from the subsidiary companies concerned. Other procedures are detailed in 11 per cent of the agreements. Agreements concluded after the Directive came into force are more likely than those which pre-date September 1994 to lay out different options as to how extraordinary meetings may be constituted, depending on the matter in question.

Table 7.3. *Procedure for calling extraordinary meetings by country group*

(%)

	Management only	Employee side only	Joint process
Nordic	29	23	69
Germanic-Dutch	18	27	69
Franco-Belgian	57	39	55
Anglo-Irish	53	25	53
Southern Europe	15	15	85
North American	45	23	51
Asia	54	15	62
All countries	36	27	62

Base: Agreements with extraordinary meetings, N = 314.

As regards the procedures for calling extraordinary meetings, in 62 per cent of such cases management and the employee representatives agree by means of a joint decision-making process whether, as a result of extraordinary circumstances, to convene a meeting. Management has the right to call such meetings in 36 per cent of cases and employee representatives in 27 per cent. Alternative processes for convening extraordinary meetings, according to the nature of the circumstances involved, are laid out in roughly one-quarter of the agreements concerned. Differences in the extent to which management has secured a unilateral right to convene

extraordinary meetings are evident according to country of origin. It is most pronounced amongst agreements in MNCs based in the Franco-Belgian, Anglo-Irish and non-European countries, and least so amongst those in MNCs based in southern Europe and the Germanic-Dutch countries. Whether or not national systems for employee information and consultation are based on structures which consist of employee representatives only would appear to be of influence here. Rights for employee representatives to call for extraordinary meetings are more common amongst agreements signed after the Directive was adopted, than before.

7.3. Chairing of meetings

The chairing of meetings between employees and central management may influence the proceedings and the outcome on one hand, and on the other is symbolic of the basis of relations between management and employees within the company. In 54 per cent of all cases meetings are always chaired by management. Employee representatives are the permanent chairs of 17 per cent of EWCs. Eight per cent of agreements provide for a joint or rotating chair. In a substantial proportion of cases (21 per cent) arrangements for chairing meetings are not specified.

Variation according to country groups is considerable. This is reflected most clearly in the difference between EWCs amongst MNCs based in countries where works councils chaired by employees are unknown, such as the Franco-Belgian, Anglo-Irish and non-European countries, and EWCs in MNCs based in the Germanic-Dutch countries. In the Germanic-Dutch countries employee members take the chair in 40 per cent of all cases. Cases where chairing arrangements are not specified are concentrated amongst agreements in MNCs based in the Germanic-Dutch, Nordic and southern European countries. Such cases may well include numbers of further instances where employee members take the chair, as in the Germanic-Dutch countries this is considered to be almost a self-evident right.

Table 7.4. *Chairing of meetings by country group and nature of body*

(%)

	Management	Employee	Joint/Rotating	Not specified
Nordic	49	11	11	29
Germanic-Dutch	18	40	9	33
Franco-Belgian	82	7	3	8
Anglo-Irish	86	4	5	5
Southern Europe	33	-	-	67
North American	73	7	13	7
Asia	94	6	-	-
Nature of body:				
Joint	72	8	8	12
Employee-side	14	39	8	39
All countries	54	17	8	21

Base: All agreements, N = 386

There is a clear relationship between the constitution of EWCs as joint management-employee or employee-only bodies and arrangements for chairing meetings. Where EWCs are joint bodies management takes the chair in approaching three-quarters of cases. In contrast, where EWCs are an employee-side only body, then management holds the chair in only 15 per cent of cases and employee representatives hold the chair in approaching 40 per cent. Relatedly, where agreements are signed by works council representatives, EWCs are markedly more likely to be chaired by an employee side member.

Central management may possibly obtain some advantage from the fact that it takes the chair in the majority of cases. However, any such advantage is balanced out in the substantial proportion of cases where the employee side has the right to elect one or more of its members to an official position, such as secretary to the EWC. Of the 215 EWCs chaired by management, the employee side has such a right in just under 60 per cent. In sectors such as food and drink and financial services, where there is an above-average proportion of EWCs chaired by management, there is also an above-average incidence of elected employee EWC officials acting as a counter-balance.

7.4. Agenda setting

In the great majority of agreements (86 per cent) there are provisions concerning agenda setting. This proportion is somewhat lower amongst agreements in MNCs based in the Germanic-Dutch and Nordic countries. The most probable explanation lies in another finding, namely that provisions concerning agenda setting are less common amongst EWCs that are chaired by employee members than those chaired by management. EWCs chaired by employees often have internal rules of procedure which cover the matter of the agenda. In such cases it may well be taken for granted that the agenda will be set by the employee side, without it being felt necessary to spell this out in agreements. Agreements concluded after September 1994 are more likely to contain clauses on agenda setting than those which pre-date it.

Table 7.5. *Provisions on agenda-setting*

(%)

	Provision	Competence		
		Management	Employee	Joint process
Nordic	74	2	7	65
Germanic-Dutch	78	2	11	65
Franco-Belgian	98	8	2	88
Anglo-Irish	91	15	0	76
Southern Europe	80	6	6	68
North American	95	13	3	79
Asia	82	17	0	65
All countries	86	8	5	73

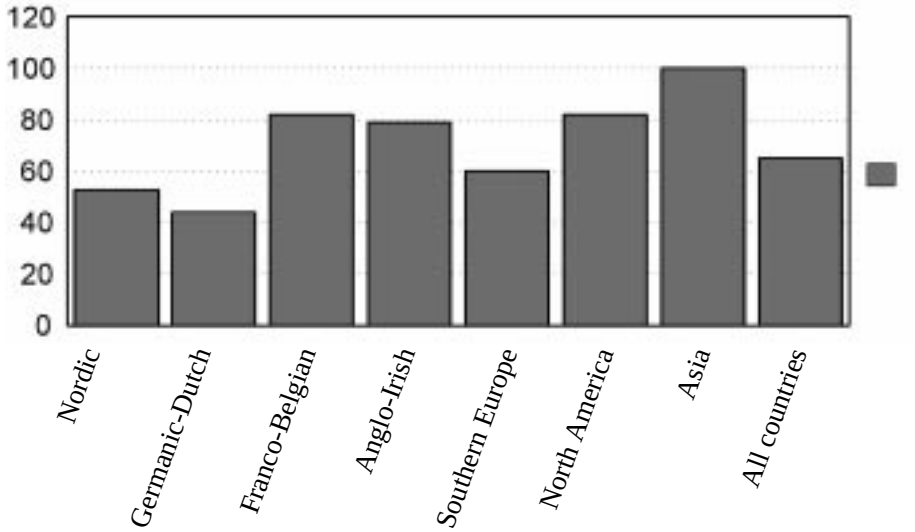
Base: All agreements, N = 386.

More important is how competence is distributed between the parties when setting the agenda for EWC meetings. Whoever has the right to set the agenda has an important instrument for influencing the way the body works. In almost three-quarters of all agreements (73 per cent) management and employee members decide jointly on the agenda. Management decides the agenda in 8 per cent of all cases. Such cases are most likely amongst agreements concluded with unspecified employee representatives only. The employee side are specified as deciding the agenda in 5 per cent of all agreements, an arrangement which is most common amongst agreements signed with works council representatives only. Those cases where there is no provision for agenda setting, but where an employee member takes the chair (see above), can probably be added to this last group.

7.5. Minutes of meetings

Sixty-five per cent of all voluntary EWC agreements specify arrangements concerning the keeping of minutes. Such provisions are most common amongst agreements in MNCs based in Asia, north America and the UK and Ireland. They are least common amongst agreements in MNCs based in the Germanic-Dutch and Nordic countries. Provisions concerning minutes are also noticeably less common where an employee member chairs the EWC than where management does so. Again, amongst EWCs in companies based in the Germanic-Dutch and Nordic countries the parties may take it for granted that long-established practice in works councils at national level will be invoked at European-level, without the need being felt to spell this out in agreements.

Figure 7.1. *Drawing up of minutes*



Base: All agreements, N = 386.

In so far as the responsibility for keeping minutes is concerned, in almost three-quarters of cases the drawing up of minutes is subject to a joint process. Management alone is responsible in 20 per cent of cases, and in the final 6 per cent it is the employee representatives who take responsibility. There is an above-average incidence of management being solely responsible for

keeping minutes amongst agreements in MNCs based in the Anglo-Irish countries and Asia. There are some marked differences between sectors also. Management responsibility for drawing up minutes is relatively more prevalent in food and drink and chemicals than elsewhere, and a joint process correspondingly less so. In contrast, management has sole responsibility for drawing up minutes in relatively fewer agreements in metalworking than elsewhere, and there is more emphasis on a joint process.

Table 7.6. *Responsibility for minutes by country group*

(%)

	Management	Employee	Joint process
Nordic	16	12	72
Germanic-Dutch	14	9	77
Franco-Belgian	15	4	81
Anglo-Irish	30	2	67
Southern Europe	11	11	78
North American	19	9	72
Asia	35	-	65
All countries	20	6	74

Base: Agreements with relevant information, N = 248.

Table 7.7. *Responsibility for minutes by selected sector*

(%)

	Solely by management	Solely by employees	Joint process
Mining & oil	11	-	89
Chemicals	30	8	62
Food, drink & tobacco	38	8	54
Metalworking	13	3	84
Pulp and paper	40	20	40
Textiles & clothing	-	-	100
Construction/Utilities	-	-	100
Financial services	14	-	86
All sectors	20	6	74

Base: Agreements with relevant information, N = 245.

Management is most likely to draw up minutes alone where agreements have been signed with unspecified employee representatives. The employee-side is most likely to have sole responsibility for drawing up minutes where works council representatives are signatory to agreements. The wider structure of an EWC has an influence too. Where there is a select committee management is markedly less likely to draw up the minutes, and joint processes are

correspondingly more prominent. Joint processes are also more evident amongst agreements concluded since the Directive was adopted, than amongst those which pre-date September 1994.

Overall, consideration of the standing orders for chairing meetings, setting the agenda and drawing up minutes indicates the extent to which co-responsibilities and joint processes dominate over unilateral management rights. The provisions of many agreements appear to embody considerable potential for co-operation between the parties.

7.6. Language interpretation and translation provisions

The language barrier is still considerable when holding multinational events. Initial reports about EWC practice often stress the 'Babylon effect', laying particular emphasis on the impediment to cross-border cooperation between employee representatives due to lack of language skills. So for EWCs to be able to work well, the extent to which translation services are provided is crucial.

Seventy-eight per cent of agreements provide for translation and/or interpretation. This includes 53 per cent in which translation and /or interpretation is made available into all relevant languages and 19 per cent where such services are limited to the most important languages (in 6 per cent of cases the extent of language provision was not specified). Although the provision of a full language service in a majority of cases is of substantial assistance to employee representatives in developing co-operation, the absence of any provision in almost one in five cases plus the provision of a restricted language service in a further one-fifth means that language barriers are likely to remain an obstacle in a significant minority of cases. At worst some individual national workforce representatives may be linguistically marginalised.

Table 7.8. *Provision of languages by country group*

(%)

	Any provision	All relevant languages	Restricted languages	Single (company) language specified
Nordic	81	51	12	53
Germanic-Dutch	64	40	21	30
Franco-Belgian	92	68	22	18
Anglo-Irish	91	67	19	35
Southern Europe	80	74	6	-
North American	77	54	15	48
Asia	88	53	35	59
All countries	78	53	19	35

Base for specified language: All agreements, N = 386.

One-third (35 per cent) of agreements specify a single company language in which EWC meetings shall be conducted. In over three-quarters of such cases the language specified is

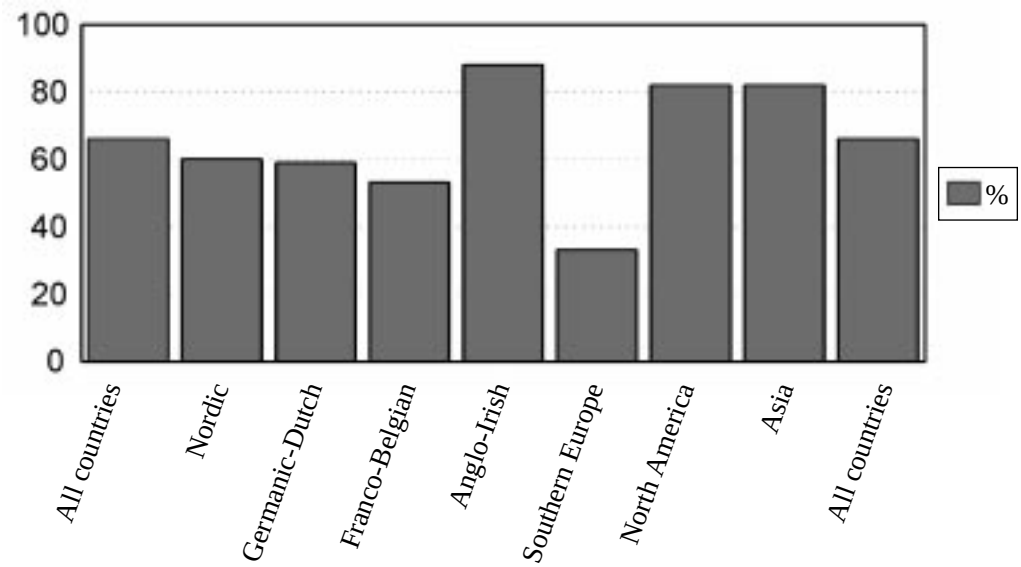
English. In a number of these cases, facilities for translation and /or interpretation are also provided, but seen as transitional until employee representatives acquire the necessary competence in the company language. How far this represents a tendency that is likely to gain momentum, given the high cost of language services, is unclear.

7.7. Provision for feedback

Feedback of the content and outcome of EWC meetings to employees and their representatives within the company, beyond the EWC members, is vital to establishing EWCs as ongoing working bodies. If the role and significance of EWCs is not clear to the wider workforce, they risk becoming marginal structures of little influence. Employee members in particular need to legitimate their role with the workforce by disseminating information about the EWC's work.

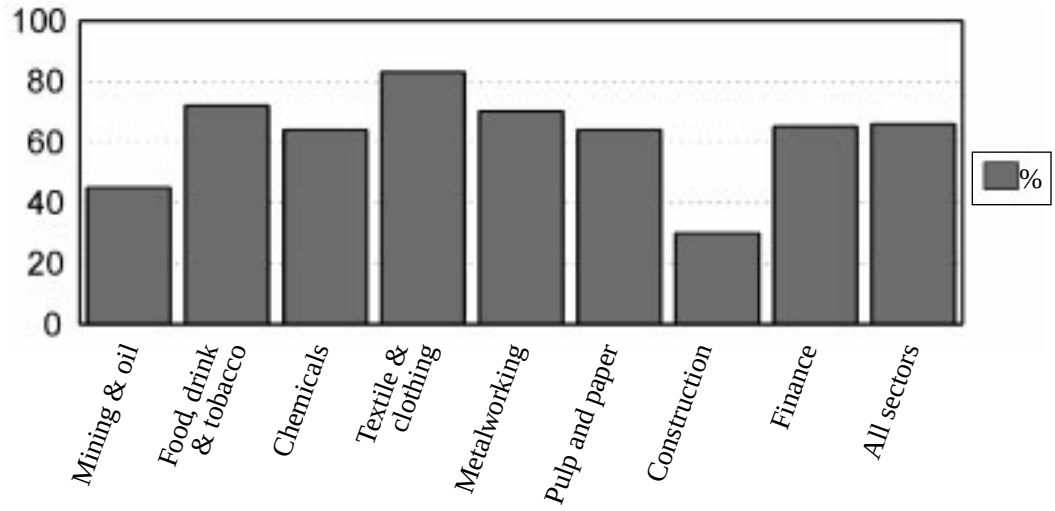
There are provisions in two-thirds of all agreements concerning the dissemination of information arising from meetings of the EWC. Conversely, one-third of agreements are silent on this matter. There are striking differences between MNCs based in different countries. Provisions concerning dissemination are most widespread amongst agreements in MNCs based in the Anglo-Irish and non-European countries. In contrast, only one-third of agreements amongst MNCs based in southern Europe make such provision. Provisions for feedback are also more common where agreements are signed with unspecified employee representatives, either alone or in combination with established representatives; these types of agreement are most common amongst MNCs based in the Anglo-Irish and non-European countries. In the absence of established structures of employee representation covering all the workforce, agreements appear more likely to spell out feedback provisions.

Figure 7.2. *Provisions for feedback by country group*



Base: All agreements, N = 386.

Figure 7.3. *Provisions for feedback by selected sector*



Base: Agreements with relevent information, N = 377.

Differences are evident according to sector too: with provisions for dissemination being more widespread in textiles and clothing and across the service sectors than elsewhere in the production sectors. Only a minority of agreements in construction and the utilities make provision for dissemination.

Provisions for feedback have become more prevalent since the adoption of the Directive: of the agreements which pre-date September 1994, only slightly more than one-quarter contain any feedback provision. Once again the influence of the Directive's subsidiary requirements on Article 13 agreements is evident.

The methods of disseminating information, as well as to whom such feedback is directed, vary considerably from company to company. However, five typical forms of communication between the EWC and the workforce are identifiable amongst the 254 agreements concerned. The five, which are grouped according to three kinds of process and which are not mutually exclusive, are as follows:

(A) distribution of a joint communiqué or report, minutes or information –
(A 1) received directly by the entire workforce
(A 2) received by employee and/or union representatives across the company

(B) employee members of EWCs alone are responsible for feedback of information –
(B 3) provided directly to the whole workforce
(B 4) received by employee and/or union representatives across the company

(C 5) distribution of a joint communiqué or report, minutes or information to managers across the company.

Table 7.9. *Distribution of information*

(%)

Mode of information	Receiver: workforce	Receiver: employee bodies	Receiver: managers
A:	**A 1:**	**A 2:**	**C 5:**
Joint channels:			
Minutes	9	23	25
Communiqués	25	6	7
Report	4	2	
Information dissemination	17	8	
Any	*51*	*37*	*31*
B:	**B 3:**	**B 4**:	
Employee representatives	21	18	

Base: Agreements specifying feedback provision, N = 254.

Pattern A 1 is adopted in one-half of the agreements concerned. It is particularly prevalent amongst agreements in MNCs based in the UK and Ireland and in Asia. Pattern A 2 is found in over one-third of agreements, and is most widespread amongst those in MNCs based in the Franco-Belgian countries and in north America. Pattern B 3 is found in just over 20 per cent of agreements, and pattern B 4 in a little under 20 per cent of cases. Both are concentrated amongst agreements in MNCs based in the Germanic-Dutch countries, and are consistent with the subsidiary requirements of the Directive.

Pattern C 5 is adopted in 30 per cent of agreements, and is most evident amongst agreements in MNCs based in the Franco-Belgian countries and outside of Europe. Given the emphasis placed by some employer organisations on the potential for EWCs to contribute to transnational management cohesion, it is perhaps surprising that dissemination of information from EWC meetings to management across different countries does not feature prominently in agreements elsewhere.

Fewer differences are evident as between sectors. In food and drink the use of patterns A 1 and A 2 is noticeably more widespread than in other sectors. In chemicals, patterns B 3 and B 4 are used more widely than elsewhere.

7.8. Confidentiality provisions

The confidentiality of business information provided to employee members at meetings has been a major management concern over the operation of EWCs. Article 8 of the Directive contains a requirement that employee representatives should be obliged to respect the confidentiality of any information deemed as such by management. Analysis of the voluntary agreements suggests that central management has been successful in establishing a broad palette of restrictive information

provisions. Eighty-eight per cent of agreements contain provisions relating to confidential information.

In almost all cases (84 per cent of all agreements) agreements contain a general clause placing an obligation on members to treat as confidential information identified as such. Eight per cent of agreements place a general obligation of discretion on members. In line with the Directive, just over one-half of agreements (52 per cent) specify that confidentiality provisions continue to apply after a member's mandate has expired. Twenty-two per cent explicitly state that experts are covered. Twenty per cent identify sanctions that will be applied in the case of any breach. A minority of agreements outline more restrictive provisions: as foreseen by the Directive, 24 per cent give management the right to withhold certain types of information, and 7 per cent restrict the supply of information from the EWC by subjecting minutes and reports to confidentiality clauses.

Table 7.10. *Confidentiality provisions*

(%)

	Provision	Types of clauses				
		A	B	C	D	E
Nordic	77	75	21	30	50	17
Germanic-Dutch	88	84	24	22	53	4
Franco-Belgian	79	77	18	25	40	12
Anglo-Irish	95	93	42	25	70	39
Southern Europe	80	65	7	15	22	29
North American	100	98	67	37	60	37
Asia	100	100	29	24	71	59
All countries	88	84	27	22	52	20

Base for provision: All agreements, N = 386.

Key: A = Identified confidential information
B = Confidential minutes/reports and/or right to withhold information
C = Experts covered
D = Confidentiality after expiry of mandate
E = Sanctions for breach

There are distinct differences in the incidence of confidentiality clauses according to country of origin. They are universally found amongst agreements in MNCs based in north America and Asia, and almost universally amongst those in MNCs based in the Anglo-Irish countries, whereas they are found in four out of every five, but not all, agreements amongst MNCs based in the Nordic, Franco-Belgian and southern European countries. Confidentiality clauses are also near universal where agreements have been signed with unspecified employee representatives, but in comparatively fewer cases where trade unions are the sole signatories.

Agreements amongst non-European and Anglo-Irish MNCs are also more likely to have more detailed and restrictive confidentiality provisions than those elsewhere. This difference may reflect the absence of experience of employee information and consultation arrangements at national level within these countries, and in turn the absence of established trust relations between the parties. Alternatively, it may reflect different traditions of corporate governance: in the Anglo-Saxon system, shareholder rights are paramount and employees do not have formal rights as stakeholders within companies, whereas under the systems of corporate governance found in continental Europe, to a greater or lesser extent employees have legitimate rights as stakeholders within companies.

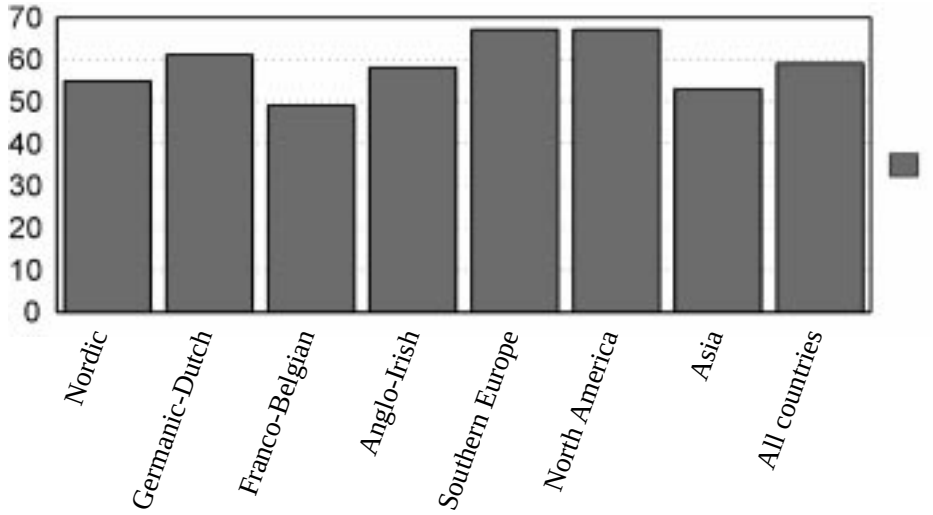
Once again, the impact of the Directive in shaping the content of voluntary agreements is evident: less than half (46 per cent) of the agreements which pre-date September 1994 contain confidentiality clauses, and these are less detailed and restrictive in nature than those found amongst agreements concluded once the Directive had been adopted.

7.9. Protection for employee members

Article 10 of the Directive establishes that employee members of EWCs should, in exercising their mandate, be assured of the protection from any sanctions imposed by management which is applicable under relevant national law and/or practice. Such protection clauses are found in 59 per cent of agreements. Reflecting the terms of the Directive, approximately one-half of agreements (49 per cent) provide that employee members shall have the same protection as under national law and/or practice. Nineteen per cent of agreements specify an alternative, but usually supplementary, provision that employee representatives shall be at no disadvantage or advantage as a result of their office.

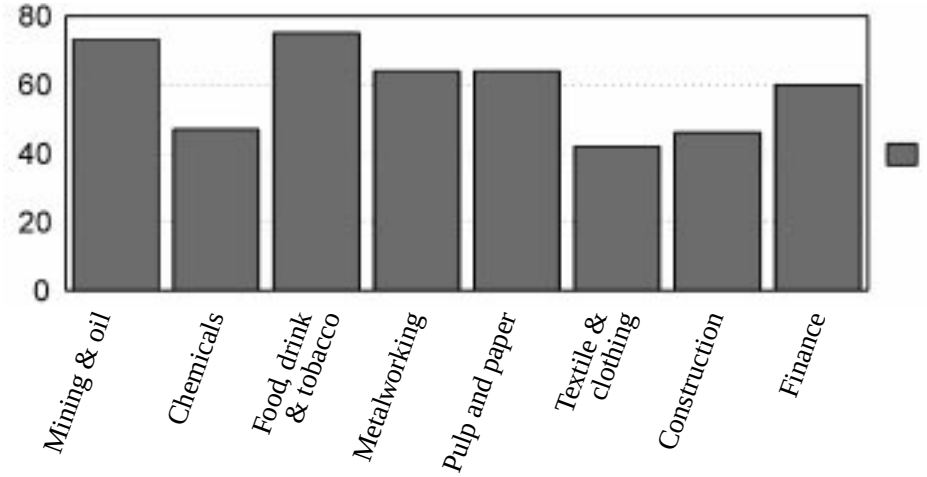
Protection clauses are most frequently found in agreements amongst MNCs based in southern Europe and north America. They are least frequent in agreements amongst MNCs based in the Franco-Belgian countries. Protection clauses are relatively more common amongst agreements in food and drink, whereas they are relatively less common amongst agreements in chemicals, textiles and clothing and construction. In terms of the structure of EWCs, they are noticeably more common amongst agreements which establish select committees and also where EWCs are chaired by an employee member. Interestingly, protection clauses are as common amongst agreements signed with unspecified employee representatives as they are in the case of those signed with established representatives. Agreements concluded since the Directive was adopted are markedly more likely to include a protection clause than those which predate September 1994.

Figure 7.4. *Protection for employee members*



Base for provision: All agreements, N = 386.

Figure 7.5. *Protection by selected sector*



Base: All agreements, N = 377.

Chapter 8

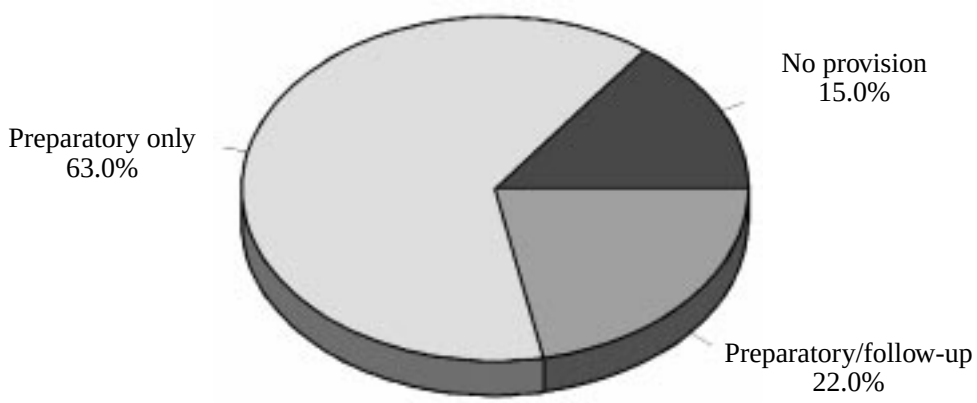
Facilities and Experts for the Employee-side

This chapter reports on the extent to which agreements provide employee members of EWCs with the right to hold preparatory and follow-up meetings, to draw upon the advice of experts and on provisions relating to EWC operating expenses.

8.1. Preparatory and follow-up meetings

Given that most EWCs meet only once a year, the opportunity for preparatory and follow-up meetings can be most valuable for the employee-side. In particular, preparatory meetings provide an opportunity for the employee members to achieve consensus or to work out a common

Figure 8.1. *Preparatory and follow-up meetings*



Base: All agreements, N = 386.

strategy before meeting with management, whilst follow-up meetings allow for ‘debriefing’ and reflection on information received. The Annex to the Directive makes provision for preparatory, but not for follow-up, meetings.

The great majority of EWCs (85 per cent) have the right to hold preparatory meetings without management being present. Follow-up meetings, by contrast, are less common: 22 per cent of agreements make provision for them. In only three cases (less than 1 per cent) is there provision for follow-up meetings, but none for a preparatory meeting.

Preparatory meetings are almost universal amongst EWCs in MNCs based in the Nordic countries, whereas companies based in the Germanic-Dutch countries are the only group where fewer than 80 per cent of agreements provide for preparatory meetings. This may be related to a further association: agreements are less likely to provide for preparatory meetings where they have been signed only by representatives of works councils. It may be inferred that structures to facilitate preparatory meetings already exist in such cases. Little difference is evident in provision for preparatory meetings by sector.

The facility to hold preparatory meetings is associated with aspects of the structure and operation of the EWC. Provision for such meetings is more widespread where there is also provision for a select committee, than where there is not; and where there is provision for external participants to attend EWC meetings. It is noticeably less frequent in cases where management has sole rights to set the agenda and to draw up the minutes.

The picture is less uniform as regards follow-up meetings. Provision for follow-up meetings is greatest amongst agreements in MNCs based in the UK and Ireland. In contrast, none of the agreements in MNCs based in southern European provide for follow-up meetings. Turning to sector, follow-up meetings are relatively more widespread in food and drink and in financial services, and least common in chemicals and textiles and clothing.

In terms of EWC structure and operation, follow-up meetings are noticeably more common where there is a select committee. This suggests potential for ongoing activity between EWC meetings. They are also more common where the employee-side sets the agenda alone. Conversely, follow-up meetings are least likely to be provided for where management unilaterally sets the agenda and draws up the minutes alone. Yet, they are also more common where the signatories to an agreement include unspecified ‘employee representatives’, suggesting that they may play a role in organising any feedback in the absence of established structures of employee representation.

The influence of the Directive’s subsidiary requirements is evident in the extent to which preparatory, but not follow-up, meetings have become standard practice amongst agreements concluded since September 1994. Although the majority of agreements pre-dating September 1994 made provision for preparatory meetings, the proportion was lower at 65 per cent. Follow-

up meetings were almost unknown amongst these pre-Directive agreements, occurring in less than 10 per cent of cases.

8.2. Experts

In order to ensure that the employee-side of EWCs are properly equipped for their work, provisions in agreements for access to external experts for advice and reports are of importance. The subsidiary requirements of the Directive specify that 'The European Works Council or the select committee may be assisted by experts of its own choice, insofar as this is necessary for it to carry out its tasks.' The role of experts has already been touched on in Chapter 5, in examining provisions for external participants to attend EWC meetings by right or by invitation. It was found that around four out of every five agreements make provision for external participants to attend EWC meetings, and that explicit reference is made to 'experts' in many of these cases.

Seventy-eight per cent of agreements stipulate that the employee-side shall have access to external experts. Access is restricted to one expert only in 17 per cent of all agreements; the majority either do not make any specific provision as to numbers of experts (29 per cent) or expressly provide for access to two or more experts (31 per cent).

Table 8.1. *Access to experts by country group*

(%)

	Provision	Number		
		One expert	Two or more experts	Not specified
Nordic	87	15	28	44
Germanic-Dutch	81	15	23	43
Franco-Belgian	71	24	38	9
Anglo-Irish	79	13	40	26
Southern Europe	67	7	27	33
North American	75	19	41	15
Asia	77	24	30	23
All countries	78	17	32	28

Base: All agreements, N = 386.

Agreements specify that these experts may attend full EWC meetings in four out of every five of relevant cases (59 per cent of all agreements). As reported in Chapter 5, this is more commonly by invitation than as of right: management agreement is required in three-quarters of relevant cases. More generally, in nine out of every ten cases where access to external experts is specified in an agreement, there is also provision for external participants to attend EWC meetings by right or by invitation. In addition, but in some cases alternatively, agreements may make provision for external experts to attend select committee meetings and preparatory meetings. Eleven per cent

of agreements specify that external participants may attend meetings of the select committee. This represents just under one-fifth of EWCs where there is a select committee. Management agreement for experts to attend is required in over a quarter of such cases. Forty-two per cent of agreements specify that external participants may attend preparatory meetings, although this may well understate the extent to which experts are actually present at preparatory meetings. Agreements may only make specific provision where management bears the costs of experts attending preparatory meetings (see below).

Agreements amongst MNCs based in the Nordic countries are the most likely to specify access to external experts, whilst those amongst MNCs based in southern Europe are the least likely to do so. All such agreements in southern Europe provide that experts may attend full meetings of the EWC, but they are the least likely to specify that experts may also attend preparatory meetings. Agreements amongst MNCs based in the Franco-Belgian countries are the least likely to specify that experts may attend full EWC meetings (two-thirds of relevant cases). Provision for experts to attend preparatory meetings is most common amongst MNCs based in the UK and Ireland. Agreements amongst MNCs based in the Franco-Belgian countries are the most likely to specify the number of experts to which the employee-side has access; they are also the most likely to limit access to one expert only. Agreements amongst MNCs based in north America and Asia are also more likely to restrict access to one expert only than those elsewhere. In contrast, agreements amongst MNCs based in the Nordic, Germanic-Dutch and southern European countries are much less likely to stipulate the number of experts to which the employee-side may have access.

Table 8.2. *Access to experts by selected sector*

(%)

	Provision	Number		
		One expert	Two or more experts	Not specified
Mining & oil	46	28	9	9
Chemicals	71	5	26	40
Food. drink & tobacco	81	13	43	25
Metalworking	79	21	31	27
Pulp and paper	86	22	22	42
Textiles & clothing	75	37	-	38
Construction/ Utilities	92	16	46	30
Financial	80	17	31	29
All sectors	78	17	31	29

Base: All agreements, N = 377.

Turning to any differences by sector, access to experts is rather more restrictive in mining and oil than other sectors. Access to external experts is most common amongst agreements in construction and utilities. In construction and utilities too, access to two or more experts is

specified more frequently than in other sectors. In contrast, amongst agreements in textiles and clothing access is most likely to be limited to one expert only.

Access to experts is associated with other features of the structure and operation of EWCs. It is more widespread amongst EWCs with select committees than those without. Moreover, in the presence of a select committee experts are more likely to be able to attend preparatory meetings, and provision is less likely to be limited to one expert only. Access to experts is also more common in cases where preparatory meetings are held, and also where there is provision for follow-up meetings. In combination, these features are indicative of a trend towards professionalisation amongst certain EWCs.

The influence of the terms of the Directive is again evident. Agreements signed since the Directive was adopted are more likely to provide for access to external experts, and to specify that they may attend different types of meeting, than those which pre-date September 1994.

8.3. Operating expenses

The Directive's subsidiary requirements state that the operating expenses of an EWC shall be met by management. All but ten of the 386 agreements specify that management will bear the operating expenses of the EWC (97 per cent of cases). In 86 per cent of cases agreements specify that travel and accommodation costs will be met by management and three-quarters that employee representatives will receive paid time-off to attend meetings. As already reported in Chapter 7, language interpretation and translation is provided by management in 78 per cent of EWCs. The costs of at least one expert are met by management in four out of every five cases in which there is access to experts (representing 61 per cent of all agreements). Such cases are divided equally between those that meet the cost of one expert only, and those where the costs of two or more experts are met.

Further aspects of the operating expenses of EWCs are specified in a smaller proportion of agreements. There is specific provision for management to meet the costs of preparatory meetings in 55 per cent of relevant cases (45 per cent of all agreements). In further numbers of cases, the expenses arising out of preparatory meetings are probably met, de facto, by management, since they are almost always held immediately prior, and at a location close, to the full EWC meeting. Funding to support ongoing activity by employee representatives on EWCs is specified in 5 per cent of agreements. In 22 per cent of agreements, there is provision for the costs of secretarial and technical assistance for the employee-side to be met by management, and in 19 per cent of agreements some or all employee representatives are entitled to paid time-off in relation to their role on the EWC, other than attending meetings. Ten per cent of agreements specify that the EWC shall have a separate budget under its control.

Table 8.3. *Operating expenses by country group*

(%)

	A	*B*	*C*	*D*	*E*	*F*	*G*	*H*
Nordic	81	85	38	19	23	53	17	23
Germanic-Dutch	52	75	31	21	27	33	10	23
Franco-Belgian	97	95	69	30	21	41	13	36
Anglo-Irish	88	95	56	19	40	32	5	9
Southern Europe	73	80	47	13	13	13	7	26
North American	78	88	43	30	25	35	8	18
Asia	70	100	47	29	18	12	-	12
All countries	74	86	45	23	26	35	10	22

Base: All agreements, N = 386.

A = paid time off to attend
B = Accommodation/travel
C = preparatory meeting
D = one expert
E = more than one expert
F = training for employee representatives
G = budget
H = secretarial and technical assistance

Rather surprisingly, only 35 per cent of agreements contain any provision to meet the costs of relevant training for employee representatives. Where it is provided, it most commonly relates to improving language skills (22 per cent of all agreements). Meeting the costs of training in relation to financial and economic, and company-specific, matters is covered in either case by only 5 per cent of all agreements.

Table 8.4. *Operating expenses by selected sector*

(%)

	A	*B*	*C*	*D*	*E*	*F*	*G*	*H*
Mining & oil	73	82	27	27	9	18	-	18
Chemicals	83	94	57	30	38	28	6	23
Food & drink	68	82	53	15	20	35	6	18
Metalworking	68	81	39	27	24	36	12	22
Pulp and paper	100	100	36	29	14	21	-	-
Textiles etc.	67	100	42	33	25	33	17	17
Construct/Utilities	69	85	38	23	31	38	15	31
Finance	90	80	60	45	20	35	10	25
All sectors	73	85	44	23	26	34	10	22

Base: N = 386.

A = paid time off to attend
B = Accommodation/travel
C = preparatory meetings
D = one expert
E = more than one expert
F = training for employee representatives
G = budget
H = secretarial and technical assistance

Agreements amongst MNCs based in the Germanic-Dutch countries are slightly less likely, and those in MNCs in the Franco-Belgian countries are the most likely, to specify that management will meet operating expenses than those amongst companies based in other countries. The costs of preparatory meetings are also least likely to be specified as being met by management in agreements amongst the Germanic-Dutch countries (and also the Nordic countries), whilst they are most likely to be specified amongst agreements in the Franco-Belgian countries. Agreements in the Franco-Belgian countries are also most likely to meet expenses relating to secretarial and technical assistance for the EWC, whilst those amongst MNCs based in the Anglo-Irish and non-European countries are the least likely to do so. Provision to meet the costs of training is most widespread amongst agreements in MNCs based in the Nordic countries, and least so in agreements amongst MNCs based in southern Europe and Asia.

Where EWCs are chaired by an employee member, rather than by management, and where there is a select committee, agreements tend to specify that management will meet a wider range of operating expenses. The costs of experts and of securing secretarial and technical assistance for the EWC are both more likely to be met, and the EWC is more likely to have its own budget, in cases where there is an employee-side chair and /or a select committee. Agreements in such EWCs are also more likely to provide for costs of any training for employee representatives to be met. These findings further indicate a trend towards professionalisation amongst some EWCs.

Chapter 9 Conclusion

The impetus provided by Article 13 of Council Directive 94/45/EC to European-level negotiations between group management and representatives of employees to establish European Works Councils has been considerable. In the period up until 22 September 1996, approaching 400 voluntary agreements were concluded under Article 13. This total amounts to approximately one in every three of the multinational companies affected by the 1994 Directive. This report, based on the European Foundation's comprehensive database of 386 Article 13 agreements, has reviewed the main provisions of these texts and has sought to identify any systematic patterns in the considerable variation that exists between them.

In order to provide some overall assessment of the findings and their implications, three sets of issues are considered in this concluding chapter. The first is the extent to which there are any qualitative differences in the provisions of Article 13 agreements as compared to those of the statutory EWC arrangement specified in the Annex to the Directive. How far have negotiators adhered to or departed from the Directive's subsidiary requirements in the agreements they have concluded? A particularly striking feature of the agreements is the extent of the trade union role both in their negotiation and in the functioning of EWCs. The second is to identify the main differences in the provisions of agreements according to the country in which the MNCs concerned are headquartered, their sector of operation and their employment size, by drawing together the findings of the previous sections. Finally, by assessing the nature of the provisions made in Article 13 agreements, it is possible to comment on the prospects for EWCs.

9.1. Article 13 agreements and the Annex to the Directive

The provisions of significant numbers of Article 13 agreements depart from those specified in the Annex to the Directive in four main respects. These concern the role accorded to trade

unions; the extent to which the operation of EWCs is governed by joint procedures; the coverage of operations in countries beyond the 17 EEA states adopting the Directive; and the business structure covered. Conversely, the subsidiary requirements of the Directive have exercised substantial influence over the content of many agreements, which since September 1994 have become more extensive and detailed in the scope of their provisions.

The provisions of the Annex do not specify a role for trade unions in negotiations to establish EWCs or in their operation, yet the reality of European industrial relations has proved otherwise. The experience of Article 13 agreements points to substantial trade union involvement not only in the conclusion of the agreements themselves, but also in the functioning of EWCs. Trade union organisations were signatory to almost half of all agreements. Given their influence amongst the central works councils in Austria and Germany that are signatories to further agreements, it is safe to conclude that trade unions exercised influence in negotiations to establish EWCs in up to two-thirds of cases. In terms of the functioning of EWCs, trade union officials are either full members or have the right to attend meetings in approaching one in four cases. In a further minority of cases, trade union officials are specified amongst those who may be invited to attend meetings. Moreover, it is likely that trade union officials will be the persons concerned in many of the substantial further number of cases where 'experts' or 'guests' can attend EWC meetings as of right or by invitation. The impact of such trade union intervention on the functioning of EWCs is likely to be crucial in determining, as elaborated in the final section, whether EWCs develop into active bodies with an ongoing role and influence, or whether their role is confined to a purely formal or symbolic existence.

The statutory arrangements laid out in the Annex provide for an employee-side only EWC. Yet in practice, fewer than one-third of agreements follow this model. The majority of agreements provide for a joint management-employee body. The joint character of these EWCs carries over into other provisions, relating to such matters as procedures for calling extraordinary meetings, the setting of the agenda, the drawing up of minutes and dissemination of the content and outcome of EWC meetings to employee representatives and the wider workforce. The instances in which the employee-side are responsible for such matters are, as might be expected, concentrated amongst employee-only EWCs. Other differences are evident too between the two types of EWC, with select committees being more widespread amongst employee-side only structures than joint bodies. Differences also are evident amongst the majority of EWCs which are constituted as joint committees. Whilst in many cases joint EWCs would appear to promote joint procedures concerning their functioning, it is of note that a minority of these agreements accord management unilateral rights over agenda setting, drawing up minutes and, particularly, the convening of extraordinary meetings.

The terms of the Annex require that employees in operations in each country covered by the Directive are represented on the EWC. Yet notwithstanding the UK's opt-out from the social policy protocol of the Maastricht Treaty and therefore from the 1994 Directive, almost all agreements in MNCs with operations in the UK have provided for the UK workforce to be represented on the EWC. A minority of agreements have extended their coverage to operations in

further countries, of which Switzerland is the most common, followed by the countries of central Europe. A rather different divergence from the terms of the Annex is the substantial minority of agreements that set an employment size threshold below which operations in a country covered by the Directive are not automatically represented on an EWC.

A fourth way in which negotiators have departed from the model provided by the Directive, is in establishing EWC structures at the level of the international business division in approaching one-quarter of agreements. In two-thirds of such cases, a single-tier divisional level EWC structure has been established rather than the single group-wide structure contained in the subsidiary requirements. In the other one-third of cases, divisional level EWC structures are in addition to a group-level EWC. The rationale for such divisional level EWC structures would appear to lie in the international management structures of the MNCs concerned, a consideration that particularly applies to MNCs headquartered outside Europe. How far single-tier EWC structures at the level of the international division provide for effective employee information and consultation on group matters, which reach across different divisions, remains to be seen.

Yet at the same time, when comparing those agreements signed before the Directive was adopted in September 1994 with those signed (or renewed) once it had been adopted, it is clear that the requirements specified in the Annex have, in other respects, become a benchmark for negotiators. The adoption of the Directive has promoted greater conformity in certain central provisions of agreements. Those few agreements which specify some kind of negotiating role for EWCs nearly all pre-date September 1994: the role of virtually all the agreements signed after September 1994 is confined to the provision of information and consultation, in line with the purpose of the Directive. Twice-yearly meetings are also markedly more likely to be provided for by agreements signed before September 1994 than in those concluded after the Directive was adopted. Agreements signed after the Directive was adopted also display a noticeably higher density of formal provision than those which pre-date it. Matters concerning the competence of EWCs, the selection of representatives, procedures surrounding meetings and confidentiality of information disclosed are all much more likely to be the subject of specific provisions in agreements signed after September 1994. An initial review of the provisions of Article 6 agreements suggests that such density of formal provision has strengthened further since Articles 5 and 6 came into effect (EWCB, 1997). The terms of the Directive have had a clear impact on the content of the voluntary agreements negotiated subsequently.

9.2. Variations according to type of company

This analysis has demonstrated that the incidence of agreements and their provisions vary according to the country of origin of the MNC concerned, its sector of operation and its employment size. The ‘strike rate’ of agreements concluded under Article 13, as compared to the number of multinational organisations covered by the Directive, varies from 15 to 55 per cent amongst those countries with more than 20 companies covered. Across the different sectors, the strike rate varies from 10 to 50 per cent. Why the take-up of the option to negotiate an EWC

agreement under Article 13 was noticeably greater in some countries, and some sectors, than in others is a question requiring further research.

The clearest differences that have been identified are those according to country group of origin. As suggested in Chapter 1, these can be related to salient features of the national systems of industrial relations of the countries in which MNCs are based. One such feature is whether or not there are established structures for employee information and consultation within enterprises at national level, guaranteed by law or by basic agreements. The presence of such works council structures distinguishes the Franco-Belgian, Germanic-Dutch, Nordic and southern European groups of countries, which have such systems, from the Anglo-Irish, north American and Asian groups, which do not. Furthermore, where they exist, works council structures differ between countries: an important contrast is between the autonomous employee-side bodies found in the Germanic-Dutch countries and their joint management/employee counterparts in the Franco-Belgian countries. Reflecting the absence of established works council structures at national level and therefore of established practice, agreements in Anglo-Irish and north American MNCs are more likely to stipulate issues which are excluded from consideration by the EWC, and to make formal provision covering the chairing of meetings, the drawing up of minutes, and dissemination of the outcome, than agreements in companies from the European countries with works council structures. Agreements in Anglo-Irish and non-European MNCs are also less likely be joint in the character of their procedural provisions than those in continental European MNCs: managerial prerogative is more evident in agreements in the former. Reflecting also the exclusive rights of shareholders in the Anglo-Irish and north American systems of corporate governance, confidentiality provisions are more prevalent amongst agreements in MNCs from these two countries.

A second salient feature of national industrial relations systems is the form that employee representation takes within the enterprise. A distinction can be drawn between the employee-only works council structures found in the Germanic-Dutch group of countries, where trade unions have no direct representative role, those in the Franco-Belgian and southern European groups of countries, where trade unions are accorded a formal representative role, and works councils in the Nordic countries which are based on trade union representation. In the Anglo-Irish and north American systems, where structures of employee representation exist they are nearly always trade union-based. Accordingly, amongst agreements in MNCs based in the Germanic-Dutch group of countries works council representatives are more likely, and trade unions less likely, to be signatories to agreements than is the case for other countries, whereas agreements in Anglo-Irish and non-European MNCs are the most likely to have been concluded with unspecified employee representatives. Where they are specified, procedures for selecting employee representatives to EWCs reflect these differences too. Direct elections are more likely to be used to select employee representatives on EWCs in Anglo-Irish and non-European MNCs than elsewhere. Trade union officials are more likely to be full members of EWCs, or to attend meetings by right, in MNCs based in the southern European, Franco-Belgian and Anglo-Irish groups of countries than elsewhere. In contrast, agreements in MNCs based outside Europe are

less likely to make any provision for external persons, including trade union officials, to participate in EWCs.

The differences amongst agreements according to sector that have been identified are less striking in terms of any consistent pattern. Comparisons across sectors have also been hampered by the relatively small number of agreements in several sectors. Nonetheless, some systematic difference is evident between the provisions of agreements in certain sectors. The clearest contrast is between those in food, drink and tobacco; chemicals; and textiles, clothing and footwear. Food and drink is noticeable for its relatively high 'strike rate' of agreements concluded to companies covered by the Directive. As compared to agreements in other sectors, those in food and drink are (with the exception of textiles and clothing) more likely to include an international trade union organisation amongst the signatories, and to provide for trade union officials to be full members of EWCs or to attend by right. EWCs in food and drink are the most likely to take the form of a joint body, and where a select committee is established this too is more likely to be joint than in other sectors. In textiles and clothing, the 'strike rate' is low as compared to other sectors. But like agreements in food and drink, agreements in textiles and clothing are more likely to number international trade union organisations amongst the signatories and to provide for officials of trade unions to participate in EWCs as of right. Agreements in this sector are the most likely to provide for two-tier EWC arrangements at group and divisional level. Like food and drink, the 'strike rate' in the chemicals sector is relatively high. But in contrast to the other two sectors, works council representatives are more likely to be signatories to agreements than in other sectors, and international trade union organisations less so (reflecting the concentration of agreements in chemicals in the Germanic-Dutch group of countries). Agreements in chemicals are less likely to provide for external persons, including trade union officials, to participate in EWC meetings as of right than those in most other sectors, but are the most likely to provide for external participation by invitation. Provision for extraordinary meetings is least common in chemical sector agreements. Agreements in chemicals nearly all establish EWCs at group-level only. Overall, overt provision for trade union intervention in EWCs in the chemicals sector would appear to be rather less than is the case amongst EWCs in food and drink and textiles and clothing.

One explanation for such differences may lie in the different strategies towards negotiating Article 13 agreements developed by the national and European-level actors at sector level (Rivest, 1996). Alternatively, it may be that a concentration of agreements in particular groups of countries underlies seeming differences between sectors. Inspection of the data suggested that this could well be the case with chemicals, although probably not with food and drink and textiles and clothing. Further analysis is required to resolve this issue.

Because of the restricted number of agreements in which employment in the EEA in the MNC concerned could be identified, caution is needed when drawing conclusions about the impact of employment size. In addition, because a greater proportion of non-European MNCs for which data were available are small (employing between 1,000 and 5,000) in terms of their EEA employment than their European counterparts, apparent differences according to employment

size may in part be due to differences between these two types of MNC. With these caveats in mind, the most noticeable contrast according to employment size is in the role of established employee structures of employee representation, either trade unions or national works councils. This was markedly more evident in the largest MNCs (employing 10,000 or more) than in the smallest. Thus agreements in small-sized MNCs were less likely to have been signed by works council or trade union representatives than those in large ones. Also provisions for external participants, including trade union officials, to be full members of EWCs or attend meetings by right were more common amongst the largest than the smallest MNCs.

9.3. Prospects

The findings of this analysis of the provisions of Article 13 agreements have implications for the outcome of negotiations to establish further EWCs under Articles 5 and 6. A crucial difference in the process of negotiating Article 6 agreements is the requirement to do so through the special negotiating body procedure in which trade union organisations are accorded no formal role. Given the extent of trade union intervention in negotiating Article 13 agreements and within the functioning of the EWCs thereby established, an important question is the extent to which trade unions will prove able to coordinate and manage SNB negotiations so as to achieve an equivalent formal presence in the functioning of Article 6 EWCs.

The findings also have implications for the future development of EWCs. Whilst the actual practice of EWCs may differ from the provisions contained in the agreements, these formal provisions will nonetheless facilitate and constrain the functioning and practice of EWCs. Following Schulten (1996), and as suggested in the Introduction, a contrast may be drawn between alternative scenarios. On the one hand are those EWCs whose potential appears to be confined to a largely formal or symbolic existence based on an annual meeting. In such EWCs there is little or no independent contact and co-operation amongst employee members in between meetings. On the other, are those EWCs which exhibit the potential to develop an active role, in which there is continuing activity on the employee side between meetings and ongoing contact with management.

Formal or symbolic EWCs are likely to develop in circumstances where agreements make little or no provision in terms either of activity beyond the annual meeting or of facilities and a joint role for the employee side. This would include those cases where agreements make no provision for extraordinary meetings or, amongst larger EWCs, for the establishment of a select committee. It would also include instances where there is no provision in agreements for the employee-side to convene a preparatory meeting, or to play a role in setting the agenda, the drawing up of minutes or dissemination of the content and outcome of the meetings. In addition, such cases might also include those agreements where there is no provision for the involvement of external participants in meetings of the EWC, leaving the employee-side isolated from independent, external sources of advice and expertise as a counter to management. These formal or symbolic EWCs are also likely to be detached in their role within the multinational group, lacking strong links with structures for employee representation, if they exist, in the national and local

operations of the MNC in different European countries. The result is likely to be a structure which exercises little influence over management decisions, and lacks wider legitimacy amongst the workforce.

In contrast, active EWCs are more likely to develop in those cases where agreements contain provisions which support ongoing representation on the employee side and contact between the parties. The presence of such provisions in numbers of Article 13 agreements indicates that a process of innovative institution building at European level has already commenced. These include the establishment of a select committee, with the right to take up substantive issues between meetings of the full EWC, as well as to be involved in agenda setting, the drawing-up of minutes and wider dissemination of the outcome; provision for an employee-side representative to assume a continuing role, such as chair, co-chair or secretary; and the ability for the employee-side either jointly or separately to convene extraordinary meetings. Agreements in such cases would also enable the employee-side to involve external participants, including trade union officials, in the EWC as of right and to engage the assistance of experts at preparatory and select committee meetings as well as at full EWC meetings. Their competence is likely to extend beyond the menu specified in the Directive's subsidiary requirements into a wider range of issues. These active EWCs are likely to have strong links with structures of employee representation at national and local levels within the MNC, and at sectoral level beyond the multinational group. Such EWCs have the potential to develop new forms of employee interest representation at transnational level, including the conclusion of joint opinions or framework agreements over aspects of employment and social policy, and thereby to be effective in exercising employee influence over management decisions in MNCs.

Appendix 1

Summary of Findings

This report analyses 386 agreements concluded under Article 13 of the Directive on European Works Councils (EWCs). The analysis is based on the comprehensive database of Article 13 agreements compiled by the European Foundation for the Improvement of Living and Working Conditions.

Agreements have been concluded by multinational companies (MNCs) based in 25 countries. Companies headquartered in Germany, France, the UK and the USA account for almost two-thirds of the agreements.

The ‘strike rate’ of agreements concluded to the number of companies covered by the Directive varies across countries: it is higher amongst MNCs based in the UK than in France or Germany.

Four out of every five agreements are in the manufacturing sectors. The ‘strike rate’ in manufacturing is almost double that in the service sectors.

The great majority of agreements were concluded in the 12 months up to September 1996. Seven per cent of agreements pre-date September 1994.

Trade union organisations are signatories to nearing one-half of all agreements, and works councils to one-third. One-quarter of agreements have been signed with unspecified employee representatives only.

One-third of agreements establish an employee-side only EWC; two-thirds establish a joint management-employee body.

The geographical coverage of two-thirds of agreements extends beyond the 17 EEA countries covered by the Directive. In almost all cases operations in the UK are included within the scope of EWCs.

One-quarter of agreements establish EWC structures at the level of the international business division: in a minority of cases this is in addition to a group-level structure.

The role of EWCs is defined in terms of employee information and consultation; just two per cent of agreements specify any negotiating role for EWCs.

In specifying the competence of EWCs, most agreements identify core economic and financial, and employment and social issues. Only one-half identify matters concerning restructuring and rationalisation.

One half of agreements specify issues which EWCs are excluded from considering.

Nine out of every 10 agreements establish EWCs with 30 or fewer members.

Employment thresholds, below which operations in particular countries may not be directly represented on the EWC, are found in one-half of agreements.

In one-third of EWCs, there are external members or persons who can attend meetings as of right. Often these are trade union officials. The majority of agreements specify that external participants may attend by invitation.

Select committees are established by six out of every ten agreements: the majority of these are employee-side only structures.

Select committees are responsible for coordination and liaison and setting the agenda: a minority receive information on an ongoing basis.

EWC meetings are convened once a year in most cases: twice yearly meetings are more evident in the service sectors. The majority of EWC meetings are chaired by management.

Extraordinary meetings are provided for in four out of every five agreements.

Joint procedures for setting the agenda, drawing up the minutes and disseminating the outcome of EWC meetings are widespread.

Only two-thirds of agreements deal with dissemination of information to the wider workforce: five main patterns of dissemination are evident.

Language and interpretation services are provided in over three-quarters of EWCs, but in one-fifth they are restricted to main languages.

The confidentiality clauses found in most agreements reflect the wording of the Directive's subsidiary requirements.

Employee-side preparatory meetings are widespread; fewer agreements provide for follow-up meetings.

The employee-side has access to external experts in four out of every five agreements: such access is limited to one expert only in one in five.

Paid time off to attend EWC meetings and travel and accommodation costs are almost universally provided.

Just one-third of agreements specify that costs of any training for employee members will be met.

Article 13 agreements depart from the subsidiary requirements of the Directive in four main respects: the extent of trade union intervention; the prevalence of joint management-employee bodies; the inclusion of countries beyond those covered by the Directive; and the minority which establish EWC structures at divisional level.

In other respects the terms of the Directive have acted as a benchmark for negotiators: since its adoption agreements have become more detailed in their formal provisions.

There are clear differences in the provisions of agreements according to the country of origin of the companies concluding them. These relate to salient features of the national industrial relations systems of different groups of countries.

Differences are evident between sectors: agreements in food and drink, chemicals and textiles and clothing have distinctive features when compared with each other.

Many EWCs have the potential to develop into active bodies which play an ongoing role, whilst others may be confined to a purely symbolic role around an annual meeting.

Appendix 2

List of Companies Concluding Article 13 Agreements

Accor
Adtranz
Aer Lingus
AGA
AGF
AGREVO
Ahlström Koncernen
Air Products Europe
Airbus
Albert Fisher Group
Alcan Aluminium
Alcatel Alsthom
Alfa Laval
Allianz
Allied Domecq
Altana AG Group
Alusuisse -Gonza Europe
Amylum Group
Antibioticos
Apple
APV
Aramark
ARBED
Arjo Wiggins Appleton
Asea Brown Boveri (ABB)
Assidoman
ASW Holdings
Atlas Copco
AXA
Babcock
Baker Hughes
Barclays
BASF
Bass
Bat Industries
Bau Holding
Baxter
Bayer
BBL
Behr

Beiersdorf
Benckise Konzern
Bertelsmann
Bicc Cables
Bilfinger & Berger
Blue Circle Industries
BMW
BNP
Boc Group
Boehler-Uddeholm
Boehringer Ingelheim
Bols Wessanen
Boots Contract Manufacturing
Bord na Móna
Borealis
Bouygues
BP Oil Europe
BPB
Braas
Braun Melsungen
Bridgestone / Firestone
British Airways
British Steel
British Telecom
Bühler International
Bull
Bunzl *
Burda-Holding
Burelle
Burgo
Cabot Group
Campina Melkunie
Canon
Cardo Group
Cargill
Carnaud Metal Box
Carrefour
Carrier Europe
Caterpillar
Chargeurs International
Ciba
Claas *
Clariant Companies
CLT *
Club Mediterranée
Coats Viyella Plc/Thread
Coats Viyella/Textiles
Cockerill Sambre
Colgate Palmolive
Compass Group
Continental
Cooper Industries
Corning
Courtaulds
Courtaulds Textiles
CPC
Crédit Communal
Crédit Lyonnais
Daf Trucks
Daimler Benz Konzern
Dalli Werke Mäurestwirtz
Danfoss
Danisco Group
Danone
Danzer
David S. Smith (Holdings)
De La Rue
Degussa
Delco Electronics Europe
Delphi
Delta
Deutsche Bank-Gruppe

DHL Worldwide
Dillinger Hüttenwerke AG
DLW
DMC
DOMO
Dow Europe
Dupont
Duracell Batteries
Dyckerhoff
Dynamit Nobel
Dyno Industries
Electrolux
Elf Aquitaine
Elopak Group
ENI
Ericsson
Eridana Beghin Say
Eurocopter
Europa Metalli
Fag Kugelfischer
Felten & Guilleaume Energietechnik
Ferrero
Fiat
Ford Motor Co.
Fortis
Framatome
Franke Gruppe
Frantschach
Freudenberg & Co.
Gallaher Ltd
Gama Holding
Gate Gourmet Group
Geberit *
GEC Alsthom
Gehe
General Accident
General Motors *
General Motors Acceptance Corporation
Générale de Banque
Générale des Eaux
Georg Fritzmeier
Gerresheimer Group
GKN
Groep van roey
Groupe Falke
Groupe Soparind
Gruener + Jahr
Grundig
Gruppo Snaidero
Guinness
Hafslund Nycomed
Hager Electro
Hamilton Standard
Hans Schwarzkopf Gruppe
Hanson Brick
Hanson Electrical
Hebel
Heidelberger Druck Maschinen
Heidelberger Zement
Hella Gruppe
Henkel
Herberts
Hercules
Hewlett Packard
Hitachi
Hochtief
Hoechst
HolderBank
Honda
Hoogovens
Howden
HSBC Group

Hughes
ICI
ICL
ING
Interbrew
IPT
ISS
Italcementi
ITT Automotive Europe
ITT Canon
ITT Flygt
ITT Industries
Jefferson Smurfit Group
John Deere
Johnson Controls
Kaefer
Kao Group
KCI Konecranes International Group
Kelloggs
Kemira
Keramik Laufen Group
Kimberly Clark
KLM
KM Europa Metal
Knorr-Bremese Systeme
KNP Leykam
Komatsu Europe Int
Kone
Koninklijke Nedschroef Holding
Kraft Jacobs Suchard
Kronos
Krupp AG Hoesch-Krupp
KSB
Kvaerner ASA
Laffarge Coppée
Lagardere
Leica
Liebherr
Linde
Linpac Plastic
L'Oréal
Lyonnaise des Eaux
Mahle
MAN
Mann + Humel
Mannesman
Marazzi
Matra Marconi Space
Mayr Melnhof
McDonalds
Mead Packaging Europe
Merck
Merloni
Metsa serla
Meyer
Miroglio Group
Mitsubishi Electric
Mobil Chemical
Mobil Marketing + Refining
Mobile Exploration + Producing
Modo Group
Myllykoski
Natwest
Neste
Nestlé
NKT Holding
Nokia Group
Norsk Hydro
Norske Skogindustrier ASA
Norwich Union *
Nutricia
Oetker International

Orkla ASA
Otis
Outokumpu
Owens Corning
Panasonic/Matsusuita
Parmalat
Partek
Paul Hartmann
Pauwels
Pearson*
Pechiney
Pepsico
Petrofina
Pharmacia UpJohn
Philip Morris Tobacco
Philipp Holzmann
Philips
Philips Petroleum
Phoenix
Pilkington
Pioneer
Polimeri Europa
Preussag
Primagaz
Procter and Gamble
PSA Peugeot Citroën
Randstad
Rank Xerox
Rauta Ruukki
Raychem *
Reckitt & Colman
Redland *
Renault
RH
Rhone Poulenc
RJ Reynolds Int.
RMC
Roche
Rothmans Int. Europe
Rothmans International (RITP)
RWE
RWE-DEA
Saffa
Saint Gobain
Sandoz
Sandvik
Sanyo
Sara Lee Personal Products
Sara Lee Processed Meats Europe
SCA
Scandic Hotels
Scansped
Schering
Schering Plough
Schiesser
Schmalbach-Lubeca
Schneider
Schott
Schweppes
Scottish and Newcastle
Seagram
Securicor
SEW-International - SEW Eurodrive
SGS
Shell
Sibelco
Siemens
Sigma Coatings
Skanska
SKF
Société Générale
Solvay

Sony
Steigenberger Hotels
Stena Line *
Stora *
Strafors *
Südsucker
Sulzer Holding
Sumitomo Rubber
T&N
Tarkett
Tate & Lyle
TDK Recording Media Europe
Tetra Laval *
Texaco
Thomson Consumer Electronic
Thomson CSF
Thomson Multimedia
Thomson-DASA SAS
TNT
Tomkins
Touristik Union International (TUI)
Tractebel
Transport Development Group
Trelleborg
Triumph International
Tulip International
UCB
Unilever
Union des Assurances de Paris
Union Minière
Unisource
United Biscuits
United Technologies Automative Europe
United Technologies Pratt + Whitney
UPM kymnene
Usinor Sacilor
Valmet
Vandemoortele TNT
VAW Aluminum
VEBA-Konzern
Verlags Gruppe Passau
VF Europe Jeans
VHB Industrial Batteries
Villeroy + Boch
Voith
Volkswagen
Volvo
Wartsila Diesel
Wella
Whirl Pool
Wienerberger
Wilhelm Böllhof
Winterthur
WMX
Zehnder
Zeneca
Zumtobel

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An Analysis of Agreements under Article 13

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- the nature of the agreement
- the form and scope of the agreement
- the role and competence of the EWC
- the composition of the employee-side
- the select committee, if any
- meetings of the EWC
- facilities and experts for the employee-side.

Since Article 13 agreements vary in their provisions, the analysis explores whether there are any systematic patterns to these variations, looking at factors such as the country of origin of the multinational group, industrial sector, and the extent of any trade union intervention provided for in an agreement. The report also looks at the prospects for the future development of EWCs, in the light of its findings.

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