



## Strengthening social dialogue: first-stage consultation of social partners on European Works Councils Directive

Brussels, 11 April 2023

Today, the Commission launches the first-stage consultation of European social partners on a possible revision of the <u>European Works Councils Directive</u>. This consultation follows up on the European Parliament's legislative own-initiative <u>resolution</u> of February 2023 calling for the Directive's revision. In line with President **von der Leyen's** Political Guidelines, the Commission is committed to follow up on such resolutions with a legislative proposal, in full respect of proportionality, subsidiarity and better law-making principles.

European Works Councils promote a shared understanding of the transnational challenges facing large multinational companies and the involvement of employees in the decision-making process, with the objective of exchanging on possible solutions, facilitating their implementation and increasing the impact of strategic choices made by the employer. The European Works Councils Directive provides a procedure for setting up information and consultation bodies between management and workers' representatives in companies with more than 1,000 employees operating in at least two Member States.

The Commission's <u>2018 evaluation of the Directive</u> found that European Works Councils remain relevant for ensuring and organising transnational social dialogue in multinational companies, while providing Member States with flexibility to adapt it to their national systems. However, the evaluation also found shortcomings, for instance regarding the consultation process of EWCs and the means for representatives to enforce their rights. The European Parliament also called on the Commission to revise the Directive to strengthen EWCs and their capacities to operate, and increase their number, while taking into account the different industrial relations systems in the Member States.

Taking this into account, the first stage of the social partner consultation launched today will gather the views of <u>European social partners</u> on the need for and overall direction of possible EU action on improving the <u>European Works Councils Directive</u>. The consultation will be open for six weeks.

## Background

Principle 8 of the <u>European Pillar of Social Rights</u> highlights the importance of social dialogue and the involvement of workers. European Works Councils are a key tool to involve workers in transnational decisions of multinational companies that affect them. They are set up at the request of employees and may issue non-binding opinions to management on relevant transnational matters.

The <u>European Works Councils Directive</u> requires Member States to put in place adequate administrative and judicial procedures for the establishment and operation of European Works Councils. About 20 new EWCs are created each year and around 1,000 companies have active EWCs, representing around half of all eligible companies.

The Commission is seeking social partners' views in line with Article 154(2) TFEU. It provides for a two-stage consultation of <u>European social partners</u> for proposals in the social policy field based on Article 153 TFEU. Social partners may decide to enter into negotiations among themselves following the first or the second stage of the consultation.

## For More Information

Consultation document: first-phase consultation of social partners

Commission's 2018 evaluation of the Directive

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## Quotes:

European Works Councils facilitate important social dialogue in large multinational companies, which ensures balanced solutions and promotes trust and partnership between employees and employers. This is essential to successfully manage the structural changes brought about by the digital and green transitions. We welcome the European Parliament's resolution and look forward to social partners' views to ensure the European Works Council Directive remains fit for purpose. Nicolas Schmit, Commissioner for Jobs and Social Rights - 11/04/2023

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