

[ETUC newsletter]



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Figure of the month

4%

In the Euro zone, between 1995 and 2007, the **share of wages in GDP has fallen by 4%** (from 60 to 56%). On the contrary, the share of profits has risen by 3% (from 30 to 33%).

(Source: AMECO – European Commission)

Make a note

SIGN our petition for high-quality public services, accessible to all

www.petitionpublicservice.eu

Dear readers,

Apart from the worries about economic recession, the event of the month was the publication by the European Commission of the Energy and Climate Change package of proposals. Its main objective is to bring about a 20% reduction in greenhouse gas emissions in the European Union (EU) by 2020. Although we support this approach, we asked the Commission on numerous occasions to ensure that its proposals take into account employment and social issues. It is regrettable that there is currently no provision for a border adjustment mechanism, in particular a carbon tax, that would equalise carbon costs for all companies, whether based in Europe or outside its borders. Such a mechanism would make it possible to keep heavy industry and jobs inside the EU. We also propose that the Globalisation adjustment Fund be used to assist workers who may suffer the negative consequences of the tabled proposals.

The European trade union movement is also alarmed by the repeated declarations of the European Central Bank (ECB) calling for excessive wage moderation. Our forthcoming wage campaign will give us the opportunity to return to that subject. In the meantime, we are calling for cuts in interest rates and a coordinated fiscal stimulus.

January also saw the start of the Slovenian EU presidency. On this occasion, we met the Prime Minister of Slovenia. At the meeting, our trade union delegation stressed the necessity of striking a balance between the freedoms of the single market and the rights of workers and trade unions, and also our concerns about the judgements of the European Court of Justice in the Viking and Laval cases.

John Monks
General Secretary



[ETUC in action]

Signing of memorandum of understanding between ETUC, ITUC, CWC and Euresa

17/01/2008 – The ETUC, the [International Trade Union Confederation \(ITUC\)](#), the [Committee on Workers' Capital \(CWC\)](#) and [Euresa](#) have signed a **memorandum of understanding**.

This memorandum provides for cooperation between the signatories on the **training of trade unionists involved in pension fund management**. The agreement reflects a common wish actively to promote practices that respect environmental, social and governance criteria in the companies in which shares are held.



Major meetings – Conferences

Social partners' participation in the European social dialogue

23-24/01/2008 – In the framework of their second integrated project, the European social partners (ETUC, [BUSINESSEUROPE](#), [UEAPME](#) and [CEEP](#)) organised a conference on the "[Social partners' participation in the European social dialogue: what are the social partners' needs?](#)" in Brussels.

The operation of the social dialogue in the EU of 27 Member States and the results obtained at national and European level were at the heart of the discussions.



[Trade Union Agenda] January – February 2008

10/01/2008	Meeting ETUC – Slovenian EU Presidency (Ljubljana)	
16/01/2008	Meeting of the Group II "Workers" of the European Economic and Social Committee (Brussels)	
23-24/01/2008	Conference "Social partners' participation in the European social dialogue: What are the social partners' needs?" (Brussels)	Conference programme
29-30/01/2008	Conference "Extending equality: Trade union actions to organise and promote equal rights, respect and dignity for workers regardless of their sexual orientation or gender identity" (Brussels)	Conference programme
07/02/2008	ETUC Steering Committee (Brussels)	
11-12/02/2008	Conference "Feedback from workers' health and safety reps: A vital asset for preventive strategies" (Brussels)	Conference programme
13/02/2008	Meeting of the Group II "Workers" of the European Economic and Social Committee (Brussels)	
15/02/2008	CGSLB Congress (Brussels)	
15-16/02/2008	CGTP-IN Congress (Lisbon)	Congress programme
15-17/02/2008	DISK Congress (Istanbul)	



[Focus on the EU and trade union positions]

Climate change: it is necessary to guarantee jobs in Europe

23/01/2008 – [The European Commission adopted its “Energy – Climate change Package](#) aimed at slashing greenhouse gas emissions by 20% in the EU by 2020. The European trade union movement **supports these proposals, but it stresses that social and employment issues must be seriously taken into account** in a globalised context.

In the view of the ETUC, a border adjustment mechanism, e.g. a [carbon tax](#), **should be established** in order to equalise carbon costs for all companies, whether they are based in Europe or outside its borders, and **keep employment and the planet from losing out**. The Commission postponed a decision on this question – which the ETUC believes was a mistake.

Moreover, the European trade union movement would like to see a mechanism for anticipating, giving warning of and supporting socio-economic transformations arising from climate change policies. The ETUC proposes that the Globalisation Adjustment Fund be enlarged to limit the negative impact of these measures on workers.

[ETUC press release](#)

[Commission press release](#)

ECB should stop
its crusade
against fair wages



09/01/2008 – The ETUC reacted strongly to a [speech given by Jean-Claude Trichet](#), President of the European Central Bank (ECB), **calling minimum wages ‘unnecessary’**. The ECB is thereby attacking collective bargaining and acting well beyond its mandate. The ETUC points out that **hourly wages are growing at only 2.6% and that the share of wages in total income is continuing to fall**. In view of the financial crisis and appreciation in the single currency exchange rate, the euro area needs robust wage growth to continue driving economic growth.

[ETUC press release](#)

ETUC met Slovenian EU Presidency



10/01/2008 – John Monks met Janez Janša, the Slovenian Prime Minister, to present the [ETUC memorandum](#) outlining the **main demands of the European trade union movement for the new EU Presidency** led by Slovenia.

For the ETUC, it is important that the European single market respects workers' and trade unions' rights, particularly in view of recent European Court of Justice rulings ([Laval case](#)).

[ETUC press release](#)

[Slovenian EU Presidency Press release](#)



[Focus on the EU and trade union positions]

Trade defence instruments reform postponed

16/01/2008 – The European Commission decided to postpone *sine die* the presentation of proposals for reform of the European Union's trade defence instruments (TDI). The ETUC welcomed this decision.

As the ETUC and Industry Federations warned at the [8 November conference](#), the Commission's proposals were in danger of exacerbating social and environmental dumping.

[ETUC Press release](#)

Redundancies at Nokia demonstrate the urgent need to review the EWC Directive

17/01/2008 – Nokia's recent decision to abolish 4,000 jobs without informing and consulting the workforce shows the importance of an urgent review of the European Works Council (EWC) Directive.

The European trade union movement insists on guarantees that no lay-offs or transfers will take place without full prior notification and serious consultations with workers' representatives.

[ETUC Press release](#)

Fair wages and good jobs must be EU priorities

31/01/2008 – The ETUC, together with the other European social partners, met with the employment and social affairs ministers of Slovenia, France and the Czech Republic (the 'troika' of current and future European Union Presidency countries) in Brdo, Slovenia. The European trade union movement stressed that fair wages and good quality jobs must be key to EU efforts to safeguard European economic stability.

Taking account of the threat of recession, the ETUC declared its strong opposition to excessive wage moderation and stressed the need to protect workers' purchasing power and to guarantee adequate social protection.

Even though the EU has created 18 million new jobs over the last



John Monks and Vladimir Spidla, European Employment and Social Affairs Commissioner, at the informal meeting of employment and social affairs ministers at Brdo (Source: Slovenian EU Presidency).

10 years, too many of them offer poor quality or casual work. Furthermore, many Member States are failing to apply the existing EU social *aquis*, for example on fixed-term contracts. Secure contracts and stable employment relationships must be promoted by well designed labour laws and strong

collective bargaining practice. The European trade union movement welcomed the fact that the EU has adopted a more balanced approach to the principle of flexicurity, and has recognised the need to offer workers on temporary contracts more security.

[ETUC press release](#)



[EU Agenda]

January – February 2008

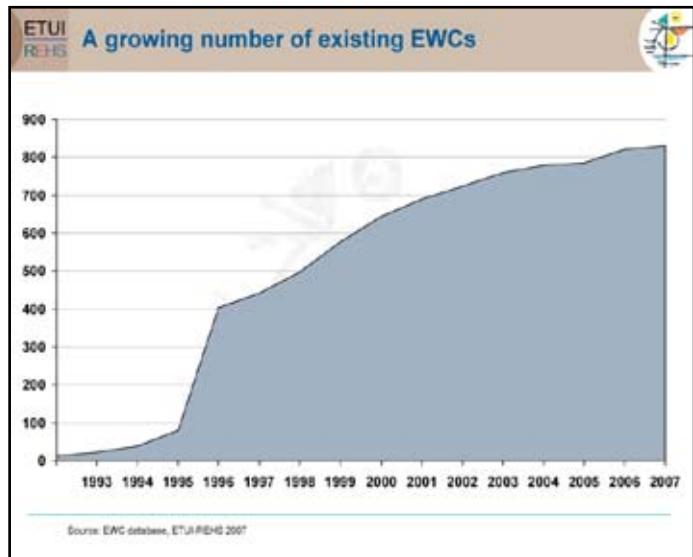
14-17/01/2008	Plenary Session at the European Parliament (Strasbourg)	Plenary Session Agenda
16-17/01/2008	Plenary Session at the European Economic and Social Committee (Brussels)	
21/01/2008	Eurogroup (Brussels)	Meeting Agenda
22/01/2008	ECOFIN Council (Brussels)	Council Agenda
24-26/01/2008	Informal Meeting of Ministers for Justice and Home Affairs (Brdo)	Meeting Agenda
28-29/01/2008	General Affairs and External Relations Council (Brussels)	Council Agenda
29/01 – 02/02/2008	Informal Meeting of Ministers for Employment, Social Policy and Gender Equality and meeting with European social partners (Brdo)	Meeting Agenda
30-31/01/2008	Mini Plenary Session at the European Parliament (Brussels)	Plenary Session Agenda
11/02/2008	Eurogroup (Brussels)	Meeting Agenda
12/02/2008	ECOFIN Council (Brussels)	Ordre du jour du Conseil
13-14/02/2008	Plenary Session at the European Economic and Social Committee (Brussels)	
14/02/2008	Education, Youth and Culture Council (Brussels)	Council Agenda
18-19/02/2008	General Affairs and External Relations Council (Brussels)	Council Agenda
18-21/02/2008	Plenary Session at the European Parliament (Strasbourg)	
25-26/02/2008	Competitiveness Council (Brussels)	Council Agenda
28-29/02/2008	Justice and Home Affairs Council (Brussels)	Council Agenda
28/02/2009	Transport, Telecommunications and Energy Council (Brussels)	Council Agenda
29/02/2008	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	Council Agenda



[Dossier]

European Works Councils

Following the [dossier on the European company \(October 2007 newsletter\)](#), we shall be looking in this issue at the involvement of European workers within companies, by means of European Works Councils (EWCs). The first European Works Councils were set up in 1994 in multinationals located in the European Union (EU)¹. Since that date, millions of workers have had the right to be informed and consulted about the transnational aspects of the life of their company, via their representatives on the EWCs across the EU. What is an EWC? How does it work? What are the limits on the European legislation introducing EWCs? Why is the European trade union movement calling for it to be revised?



1994: THE DIRECTIVE ON EWCs IS ADOPTED

Directive 94/45/EC on European Works Councils was adopted in 1994. It stipulates that EWCs must be created within multinationals to allow workers' representatives to meet together, to meet with the management, to be given information and to give their opinion on transnational decisions relating to the company.

The directive applies to all companies with 1,000 or more workers, and at least 150 employees in each of two EU Member States.

When the EWC directive was adopted, 49 European Works Councils had already been created. Since then, 972 EWCs have been set up, of which 833 are still active².

An analysis of the statistics available on the EWC databases³ shows that only 36% of the 2,200 companies potentially concerned by the European legislation have really set up an EWC.

Even if we note that 14 million workers are currently represented by an EWC, out of a total of 16 million potentially affected by the European

provisions, 13 years down the line from the adoption of the directive, this level of coverage remains inadequate.

An active, representative trade union organisation is, of course, the first guarantee of a well-functioning EWC.

THE OPERATION OF AN EWC

EWCs may deal with a huge range of economic, financial and social issues, including research, the environment, investment, health and safety and equal opportunities.

The majority of EWCs meet once a year (a plenary meeting), with extra meetings as required.

The structure of an EWC generally conforms to one of two models: workers' representatives only, or joint worker/management representation, and is influenced by industrial practices in the company's home country. The directive lays down that an EWC must have no more than 30 members.

In general, a smaller committee made up of three

¹ The directive also applies to enterprises based in Norway, Liechtenstein and Iceland, members of the European Economic Area.

² The EWCs which no longer exist often ceased activity following mergers or other changes in the ownership of companies.

³ The Social Development Agency (SDA), a non-profit association set up in May 2004 and supported by the ETUC, drafts and manages the database listing the contents of the European Works Council agreements: <http://www.sda-asbl.org/fr/default.htm>



[Dossier]

European Works Councils

or four members (often called a 'Bureau') is set up within each EWC. This meets more regularly, allowing the workers' representatives both to tackle major events requiring an urgent response, such as restructuring, relocation or buyout operations, and to attend to the management of the preparatory and follow-up meetings in connection with the plenary meetings.

Representatives of the European industrial federations often participate in the work of the EWCs, providing expertise and support for the workers' representatives, even if the provisions of the directive mean that their role is not officially recognised.

As to budgetary questions, financial resources are allocated by the management of the company to cover the operational costs of the EWC (translations, travel and accommodation for representatives at meetings).

THE LIMITS OF EUROPEAN LEGISLATION

Although the number of EWCs is growing every year, the rate of progress remains slow. This is due to the limits of the EWC directive. For example, there are no penalties for companies that defy the directive. To rectify this situation, whereby many European workers are deprived of their rights to information and consultation, the European Trade Union Confederation (ETUC) calls upon governments to put in place a system of proportionate and dissuasive sanctions against companies failing to apply the directive. In addition, as we have seen for example with the restructuring at Renault in Vilvoorde, Brussels, major decisions with far-reaching consequences for European workers have been taken without consulting EWCs. The ETUC considers that any decision taken without the agreement of the EWC should be legally invalid.



ETUC demonstration in solidarity with workers at the Renault plant in Vilvoorde – Brussels – 1997



[Dossier]

European Works Councils

We would like the period allowed for negotiations aimed at the creation of an EWC not to exceed 12 months, prolonged on request. The current period of three years is too long, and during this period of time the company structure can change completely.

The qualitative improvement of the range of actions open to EWCs is one of the major demands being made by European trade unions. Increased frequency of plenary meetings, official recognition of the role of the unions in representing the workers on EWCs and favoured access to training and external expertise might give the EWC members genuine possibilities for anticipating change in an increasingly competitive international context.

Similarly, a clearer definition of workers' information and consultation, corresponding at the very least to the one cited in the 2001 directive setting up the European company⁴ and in the 2002 directive establishing a framework for employees' information and consultation, is likewise required.

THE DIRECTIVE ON EWCS NEEDS UPDATING

When the 2008 work programme was presented, the European Commission confirmed its intention to submit a proposal aimed at amending the directive on EWCs. This revision is already seven years overdue. Likewise, in May 2007, the European Parliament agreed by a large majority in favour

of a revision of this directive. The European trade union movement welcomed this decision, and hopes that the procedure will be completed by the end of 2008.

Reiner Hoffmann, Deputy General Secretary of the ETUC, welcomed the fact that many employers nowadays recognise the added value of EWCs for companies. *"This is real progress, in view of their opposition in the early '90s"* he said. *"Nevertheless, it is hard to understand why BUSINESSEUROPE is opposing the revision so heavily. Certainly we must continue, together with the employers, to improve and develop further the work of EWCs. But at the same time the Commission has to come up with concrete proposals for the revision right now, to make sure that the procedure will be successfully completed by the end of 2008. Europe has to give a strong signal that in the context of globalisation and a fast-changing economy, workers' rights must be strengthened."*

For more information

- Marco Cilento – ETUC advisor in charge of the EWC dossier: mcilento@etuc.org
- Alexandre Martin – Responsible for the project at the Social Development Agency (SDA): lmartin@etuc.org

Useful links

- SDA EWC database: <http://www.sda-asbl.org/fr/default.htm>
- Section of the ETUC site devoted to EWCs: <http://www.etuc.org/r/313>
- Section of the site of the European Trade Union Institute for Research, Education and Health and Safety (ETUI-REHS) devoted to worker participation: http://www.worker-participation.eu/european_works_councils

⁴ In line with the directive on the European Company (SE) in 2001, the information must be given to the employees' representatives 'at a time, in a manner and with a content which allows the employees' representatives to undertake an in-depth assessment of the possible impact and ... prepare consultations with the competent organ of the SE'. The consultation must be held 'at a time, in a manner and with a content which allows the employees' representatives ... to express an opinion on measures envisaged by the competent organ which may be taken into account in the decision-making process within the SE'.



[You may be interested]

Media



Press conference on **Energy and Climate Change package**

15/01/2008 – The ETUC held a press conference in advance of **publication of the European Commission's Energy and Climate Change package**. More than 20 journalists took part. General Secretary **John Monks**, Confederal Secretary **Joël Decaillon**, and ETUC adviser on environmental issues **Sophie Dupressoir** presented the European trade union movement's views and answered a number of questions.

Publications

Recent European Commission documents

The following reports are now available:

- [Portability of pensions – presentation of two studies](#) (22/01)
- [Package of measures to combat climate change and improve the EU's energy security](#) (23/01)
- [Report 2008 on equality between women and men](#) (23/01)

Facebook and Second Life: new tools for trade union activity

For some time now, new online tools have been developing that are revolutionising the way internet users communicate with one another. The aim of these tools is to create spaces for exchange of information and interaction, taking advantage of the opportunities provided by new information technologies. The most well-known examples are [Facebook](#) and [Second Life](#).

Facebook is a kind of electronic yearbook. Its objective is to promote social networking,

making it easier to communicate and share information. Being able to find members of the network by means of their photographs, and the opportunity to set up groups, are two of the big advantages of this communication platform. Today, more than 60 million people worldwide are regular Facebook users.

Second Life, on the other hand, is like a virtual, three-dimensional universe. It enables users to live, in effect, a 'second life', with the

opportunity to define their own online identity, formulate their environment and organise events. More than four million people are already part of this virtual community. As distinct from Facebook, where access is instant and flexible, to make full use of Second Life you need internet broadband and a high-performance computer.

Trade union organisations have now started to exploit these tools to coordinate activities and distribute information.

On 27 September 2007, Rappresentanze sindacali unitarie (RSU), which organises the Italian employees of IBM, together with the trade





[You may be interested]

Facebook and Second Life: new tools for trade union activity

union industry federation [UNI-Europa](#) – an ETUC affiliate – organised the first-ever [virtual demonstration](#) on Second Life.

The reason for this action was IBM's refusal to raise the salaries of its Italian workers and its unilateral decision to cut the performance bonus, amounting to an annual loss of around €1,000 per person¹.

After a process of training on the use of Second Life and some detailed preparation, the virtual demonstration was launched, with 1,800 people taking part. The media response was impressive. As a result, success in the virtual world was transformed into success in real life: one month after the Second

Life demonstration, IBM Italy offered and signed a new contract, with significant benefits for the workers involved². Trade union interest in these new tools continues to grow. For example, the British Trades Union Congress (TUC) is very active in this area and has recently set up two specific projects.



The TUC has created an application on Facebook called [My Union](#), enabling users who wish to do so to add a banner

on their personal page to show other members of the network that they belong to a trade union. A group of My Union users has also been set up to share and exchange information. At the same time, some British trade unionists have invented and constructed

[Union Island](#), a space dedicated specifically to trade unions on Second Life. It comprises an 'island' where trade union members can meet one another, organise events, exchange information and develop activities. The first meeting on the trade union island will take place on 4 March.

The German federation of service unions Ver.di, had already reserved a space on Second Life to publicise its campaign for a minimum wage.

In the context of its meetings with the European industry federations and the European Trade Union Institute ETUI-REHS, focusing on aspects of communication, the Press and Communications Department of the ETUC organised a presentation by John Wood from the TUC, who is responsible for developing campaigns using the new media. The aim was to promote a better understanding of these innovative tools, and in particular the added value and success they can bring to the activities that are underway.

¹ In the framework of its economic development strategy, IBM invested more than 10 million dollars in Second Life to create 15 'islands', with purely commercial objectives

² The action will receive a prize for innovation at the NetXplorateur forum in Paris

Useful links

[Internet site of My Union](#)
[Internet site of Union Island](#)
[UNI Internet site for action on Second Life](#)
[Blog dedicated to the campaign at IBM Italy](#)

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