

SHAPING THE FUTURE

OF WORK BY

EMPOWERING EWCs



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Foreword



Democracy at work is a fundamental value and a guiding principle of the European Union. The ETUC and its members are committed to enable workers and their representatives to exercise their democratic rights at the workplace.

European Works Councils are vital to democracy at work. They empower workers to shape corporate decisions, ensuring sustainable governance, better working conditions, and fair restructuring processes. Companies with robust worker participation are more innovative, productive, and equitable. This added value benefits not only workers but also businesses and society.

Yet, democracy at work is under threat. EWCs often face barriers to exercising their rights effectively. Strengthening information, consultation, and participation rights is crucial to counter these challenges. In addition, new legislation such as the Corporate Sustainability Due Diligence Directive (CSDD) and Corporate Sustainability Reporting Directive (CSRD) offer new opportunities for EWCs to hold companies accountable for workers' rights, human rights, and environmental standards.

It's time to prioritize democracy at work. Stronger EWCs mean stronger worker representation and a fairer, stronger and more sustainable European economy.

Isabelle Schömann, ETUC Deputy General Secretary



**MORE
DEMOCRACY
AT WORK
RIGHT
NOW!**

Freedom, democracy, and social justice are core values of the European Union (EU). Democracy is not only the foundation of our political systems but also a cornerstone of our economic and social structures. A stronger democracy in the workplace is essential for building a fairer and more resilient Social Europe.

Workers are the lifeblood of companies, public institutions, and services. Every day, they contribute their time, energy, and skills to drive progress and deliver results. Yet, their voices are increasingly marginalized, their influence diminished, while shareholders far away from the workplace receive steadily more & more decision power. Just as citizens have the power to shape their communities through democratic processes, workers deserve a stronger say in the decisions within their workplaces that profoundly impact their lives.

What does Democracy at Work mean?

Democracy at Work empowers workers, trade unions and workers' representatives to play a meaningful role in shaping the decisions of their companies or organizations. It guarantees the right to be informed, consulted, and engaged in timely and constructive dialogue with management at all relevant levels. Most importantly, it ensures that workers are active participants in the decision-making process before critical actions are taken.

Democracy at Work also strengthens the resilience and competitiveness of companies, promotes economic success and supports decent work. In fact, evidence shows that worker involvement increases flexibility and adaptability to structural change by ensuring just transition.

**Democracy does not stop
at the workplace** ”

European Parliament - Report 2021/2005(INI)

Definition

A European Works Council (EWC) is a formal body that represents workers in multinational companies operating in two or more European Economic Area (EEA) countries. Its primary purpose is to ensure that workers are informed and consulted about significant decisions that affect their jobs, working conditions, or the future of their company.



Scope

Applies to companies with at least 1,000 employees across EEA countries, with at least 150 employees in two or more of those Member States.



Legal Basis

Established under the EU's EWC Directive ([2009/38/EC](#)), which provides a European framework for creating these councils. However, each EWC is also bound to the national law where the EWC had its headquarters – and of course its own agreement.

Key Features of an EWC



Membership

Workers' representatives from each country where the company operates may form part of the EWC.



Topics Discussed

TRANSNATIONAL issues such as restructuring, closures, mergers, acquisitions, or significant organizational changes.

Transnationality

Any matter that concerns at least two member states can be deemed transnational (see art. 1.4 of the EWC Directive). In practice, management often denies the transnational character of a matter. ETUC demands that a transnational matter should be defined as any issue with potential effects on the European workforce or requiring decisions at a management level that impacts more than one Member State, regardless of the number of countries directly involved.



Why are EWCs so important?

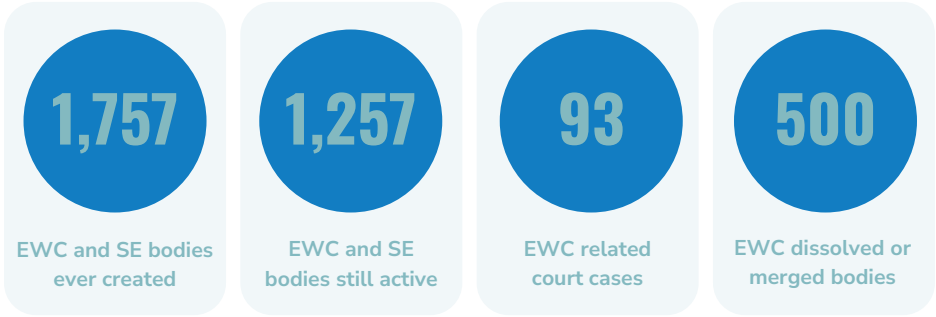
The EU's internal market is deeply interconnected, operating within a highly globalized economy. While management structures in multinational companies have become increasingly internationalized, workers' representation has lagged behind. In some cases, this internationalization is even exploited to bypass workers' rights.

EWCs have been the first landmark transnational body representing workers, making them a crucial response to these economic realities. They ensure that workers' voices are heard across borders, addressing the imbalance between globalized management and localized representation.

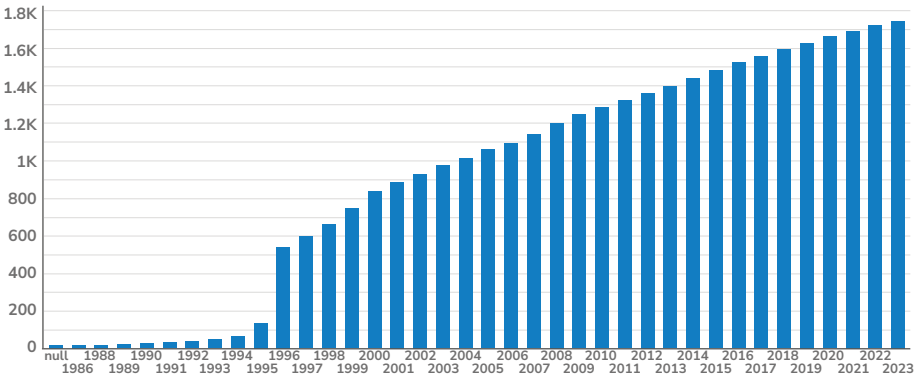
As a cornerstone of democracy at work, EWCs exemplify how workers can participate meaningfully in shaping decisions that impact their lives, fostering fairness and accountability in the workplace. They help protect workers' rights, improve job security, and contribute to better corporate governance.



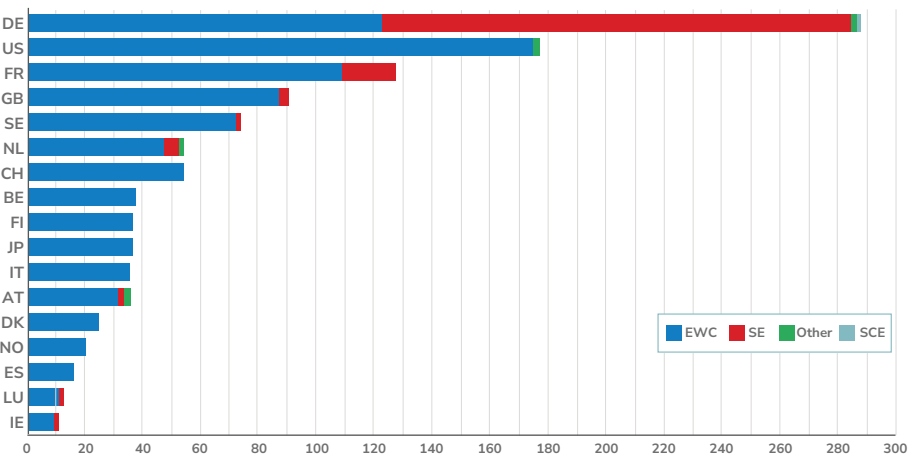
General Statistics



EWC and SE bodies over time



EWC bodies currently active, by country of headquarters



Support in channelling EWC demands

The ETUC serves as a vital bridge between the challenges faced by EWCs on the ground and opportunities for political change at the European level. Working closely with European institutions, especially the European Parliament and the European Commission, the ETUC channels the demands of EWCs and advocates for stronger workers' rights to information, consultation, and participation. For example, supported by the scientific evidence of the European Trade Union Institute (ETUI), the ETUC provided members of the European Parliament with many useful insights of EWCs' daily challenges. Finally this led to the adoption of the report on the revision of the EWC Directive in 2022.

The ETUC collaborates closely with its European Trade Union Federations (ETUFs), which maintain direct contact with workers on the ground. Together, they push for systemic changes while addressing immediate issues, such as violations of workers' rights. In such cases, the ETUC supports affiliates in reaching out to European decision-makers and, when necessary, engages with specific company management to resolve disputes.

To mobilize support, the ETUC organizes events across the EU as part of its Democracy at Work strategy. It raises awareness by producing online materials, social media campaigns, and other communication tools to highlight workers' rights and options for accessing justice. For instance the ETUC has led campaigns on key issues like Human Rights Due Diligence and workers' involvement.



EWC Conference

The ETUC EWC Conference is held annually in Brussels, typically in the fall, bringing together up to 150 participants. It provides a unique opportunity for EWC members to meet high-level decision-makers and discuss key topics. The program includes workshops, debates, and networking sessions focused on strengthening information and consultation rights. The event fosters mutual learning, collaboration and empowers participants to advocate for better worker representation across Europe.



Democracy At Work Goes Local

The **Democracy-at-Work Goes Local** initiative focuses on bringing discussions about workplace democracy closer to workers and their representatives across Europe. Instead of meeting in Brussels, the ETUC organises an event at local level about hot topics related to information, consultation, and participation. It provides a platform for workers, trade unions, and local stakeholders to exchange ideas, share best practices, and address workplace challenges. This direct engagement with workers at the grassroots level builds awareness and mobilizes support.

Training and further support

The ETUC is committed to equipping EWC members with the knowledge and skills they need to effectively advocate for workers' rights. Through tailored training sessions and workshops, participants gain insights into key topics such as information and consultation rights, litigation, and restructuring processes. For further training opportunities, check out the ETUI website www.ewctraining.eu.



It's time to prioritize democracy at work!

Workers and their trade union representatives must no longer be excluded from strategic decision-making. Crises like the 2008 financial collapse and the COVID-19 pandemic have proven that strong worker involvement and collective bargaining are essential—not only for protecting jobs and rights but also for ensuring economic resilience, competitiveness and long-term sustainability.

Companies and public services with meaningful worker participation perform better, invest more, and deliver higher-quality outcomes, both for workers and society. Democracy at work improves working conditions, strengthens labour rights, and promotes fairer and more effective corporate governance.

Moreover, research shows that workers whose voices are heard at work, and who thus experience effective democracy at work, are more satisfied with democracy and the political system in general. Thus workplace democracy makes our democracy less vulnerable to its enemies such as populists and fascists.

We demand urgent action to place democracy at work at the top of the political agenda. A more social, democratic, and sustainable Europe depends on it.



ETUC 10 demands

1 Enforce Workers' Rights Effectively

Strengthen enforcement of EWC rights by introducing strong, consistent, and dissuasive sanctions across Member States. Penalties should include suspending company decisions until the consultation process is properly completed. A monitoring body, such as a dedicated committee, should oversee the implementation of the Directive to ensure compliance.



2 Guarantee Access to Justice

EWCs must have the legal status and financial means to pursue legal action where necessary. Clear and consistent rules across the EU are needed to address barriers such as legal personality, court competence, and litigation costs. Management must also be required to fund legal costs, as specified in the Directive.

3 Involve Trade Union Experts

Trade union experts must have the right to participate in all EWC and Select Committee meetings and access all sites. This ensures effective coordination, strengthens EWC operations, and supports worker representation. EWCs should also have funding to engage additional external experts when needed.



4 Clarify Transnational Matters

The definition of “transnational character” must be integrated into the main body of the Directive to ensure EWCs are informed and consulted on all decisions with cross-border effects throughout the decision-making process. A transnational matter should be defined as any issue with potential effects on the European workforce or requiring decisions at a management level that impacts more than one Member State, regardless of the number of countries directly involved.

5 Facilitate EWC Establishment

Clear rules must be introduced to simplify the process of setting up EWCs. These should include deadlines for the first meetings of Special Negotiating Bodies (SNBs), regular meeting schedules, and mandatory application of subsidiary requirements if management fails to engage in negotiations.

6 Strengthen Coordination Across Levels

EWCs must be able to coordinate effectively with local and national worker representation structures. This includes the right to communicate and share information before and after meetings. Adequate resources and rights, such as access to sites, must be ensured to enable this coordination.

7 Expand the Definition of “Controlling Undertaking”

The term “Controlling Undertaking” should encompass franchise systems, joint ventures, and contract management. Criteria must also be established to prevent companies from exploiting legal loopholes like regime shopping or setting up letterbox companies.



8 Reform Confidentiality Rules

Clear guidelines must be established on when and for how long companies can restrict information under confidentiality claims. Workers’ rights to share information with stakeholders, particularly other employee representatives, must be safeguarded.

9 Strengthen Subsidiary Requirements

Subsidiary requirements, which apply when no EWC agreement is reached, should be enhanced. This includes improving Select Committee rights, expanding the list of topics for consultation, and setting clear rules for when subsidiary requirements come into force.



10 Replace Outdated Voluntary Agreements

Voluntary agreements made before the Directive should be brought under its scope to ensure consistent standards. Transitional provisions must be introduced to allow renegotiation of outdated agreements while maintaining continuity for workers.

Timeline

1994

• Adoption of the first EWC Directive.

2009

• Recast of the EWC Directive.

2016

• The European Commission evaluated the Recast Directive and identified several shortcomings.

2022

• The European Parliament calls for a revision of the EWC Directive.

2024

• The European Commission proposed a revision of the EWC Directive.

2025

• Trilogue negotiations between the European Commission, the Council of the EU & the European parliament on the revision of the EWC Directive could start.

Not before 2027

• If trilogue negotiations come to an agreement, member states will have to transpose the new rules into national law.

The new European Framework for Information, Consultation and Board Level Representation

5

■ What is Board-Level Employee Representation?

Board-level Employee Representation exists in many EU member states and is considered the highest form of worker participation in capitalist firms, embodying workplace democracy and participation. This institutionalized, indirect approach allows workers to express their collective voice through representatives in top corporate governing bodies, such as boards of directors or supervisory boards. Representatives may be elected by the workforce or appointed by trade unions, central bodies, or European Works Councils, depending on the country or company. Their role is to provide worker input and oversee strategic decision-making.

■ What are European Companies?

European companies, such as the Societas Europaea (SE), are specific types of companies created under EU law to enable easier cross-border operations within the EU and European Economic Area (EEA). The SE is a public limited liability company that operates under a unified European legal framework and supplementary national laws of EU member states. It allows companies to organize and conduct business in multiple EU/EEA countries with a single set of rules.



Legal forms of European companies must not be used to undermine the co-determination rights of employees

Dr. Daniel Hay, Director of the Institute for codetermination and corporate governance (IMU) at the Hans Böckler Foundation

Why is this relevant for workers?

In principle SE companies are designed to facilitate cross-border business operations. However, the SE legal structure can sometimes be exploited to undermine worker representation rights. Unlike national frameworks, SE rules provide flexibility in determining workers participation, especially during the company's creation. This has led to cases where management uses the SE model to eliminate or reduce worker representation on supervisory boards.

By law, SE companies must only take into consideration workers participation under national law when they are created but not as they evolve. So what if an SE company is created with no employees (empty shell) and then acquires a big multinational company. In practice, an SE without employees can bypass the requirement for worker involvement, creating a legal loophole. Such tactics weaken co-determination rights, erode workplace democracy and deprive workers of a voice in critical company decisions.

The Case of Olympus

A prominent example of this misuse is the Olympus Corporation in Hamburg. The company transitioned into an SE, effectively removing worker representatives from its supervisory board. This was achieved by creating an SE without workers, which became the sole shareholder of the original company. As a result, worker co-determination rights were bypassed.

The works council filed a legal challenge, leading to a referral to the European Court of Justice (ECJ). Unfortunately, the ECJ ruled that there was no obligation to renegotiate worker participation rights under the SE structure and did not address whether such worker-less SEs should be permitted. This decision created a significant gap in the protection of worker representation rights. It highlights the urgent need for stronger laws to prevent companies from exploiting SE frameworks to avoid their obligations to workers.

Why do we need an European Framework for Information, Consultation and Participation?

The aim of the horizontal framework is to permanently secure a high standard of rights in existing and future EU legislation, particularly in cross-border situations where the national laws cannot be applied in a coordinated and equitable way. Key principles should thus be defined as binding standards, and ambitious subsidiarity requirements should be designed. These requirements would apply as fallback provisions in the absence of an agreement or if the parties wish so.

Overall, the horizontal framework would help to avoid regime shopping and use of letterbox companies across Europe and protect domestic legislations. Moreover, it would lead to a more efficient coordination between local, national and European levels of workers' information, consultation and board-level representation.



Such a framework should inter alia:



Ensure the creation and functioning of a European Works Council (SE Works Council) for European company forms and companies making use of EU company law instruments enabling company mobility;

Ensure that an adequate and in-depth information and consultation process takes place before the decision on restructuring has been taken. Amongst others, workers' representatives need to be given the necessary information on the changes in the company structure and organisation, on the reasons for the restructuring and on any impacts on employment, working conditions;



Provide the necessary resources and time for the full involvement and link between the different levels (national and transnational) and, where relevant, instruments (e.g. transfer of undertakings, collective redundancies, insolvency...) for workers' information and consultation;

Ensure that companies open negotiations with the workforce in order to reach an agreement on workers' board-level representation in the resulting companies after the restructuring. The new framework should therefore introduce a right for workers to put in place a system for workers' representation in the board. In case an agreement is not reached within the time-limit defined in the horizontal framework for the negotiations with the company management, subsidiary provisions would apply, including the escalator approach;



Introduce effective and dissuasive sanctions for non-compliance, including the fact that decisions and restructuring process taken without full respect of workers' information and consultation rights are null and void. The framework should also include instruments and mechanisms to ensure access to justice for the transnational body for information and consultation in case of violation of workers' rights.

What's corporate governance

Corporate governance refers to the systems, principles, and processes by which companies are directed and controlled. It involves balancing the interests of direct workers, workers along the subcontracting chain, shareholders, customers, and the broader community. Effective corporate governance promotes accountability, transparency, and sustainable decision-making.



Complex corporate structures and supply & subcontracting chains enable parent companies to circumvent human rights, social & environmental standards.

The current legal framework doesn't bring about enforcement and leads to a race to the bottom in terms of human rights, environmental and social standards. We need to empower workers to fight against violations of human rights.



Why is this relevant for workers?

The **Corporate Sustainability Due Diligence Directive (CSDDD)** requires companies to identify and address negative impacts on human rights and the environment throughout their supply chains. It holds businesses accountable for ensuring responsible practices across operations, subsidiaries, and subcontracting chains. Similarly, the **Corporate Sustainability Reporting Directive (CSRD)** mandates companies to disclose information on how their activities affect people and the planet, focusing on transparency and sustainability. These laws are vital for trade unions and workers because they can use their rights to information and consultation in this regard. Workers and their representatives are key stakeholders in ensuring businesses respect workers' and human rights in all activities.



Labour is not a commodity”

Principle in the International Labour Organization's founding documents

Check out the ETUC documentary
“Unchained Revolution”



For further information on our actions, demands and support to affiliates, please visit our website:

www.democracyatwork.eu
www.worker-participation.eu

#DemocracyAtWork

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