

ETUC Resolution on 2021 – Year for More Democracy at Work

Adopted at the Executive Committee of 22-23 March 2021

Background

Democracy, as a fundamental value of the European Union, provides the foundation for social and economic cohesion. Democracy is the antidote to inequality, exclusion and social injustice. This is the reason why the ETUC is mobilising to make More Democracy at Work happen, now, and to shape a responsible and sustainable future for the people of Europe.

More Democracy at Work is crucial for a fair and inclusive society and a future-proof world of work: Almost nine out of ten Europeans believe that social Europe is “important” and 71% consider the lack of social rights to be a “serious problem” at present. In addition, almost three out of four Europeans believe more decisions should be taken at EU level on promoting “decent” working conditions in the EU.¹

The numbers are even higher when asked about the importance of Europe becoming more committed to equal opportunities and access to the labour market, fair working conditions and social protection and inclusion. It underlines the need for a projection of labour law, which transcends national orbits and addresses the regulation of new realities with a clear commitment to the social economy, cooperatives and workers’ participation.

In this context, Democracy at Work has to play a major role. The development of fair working conditions in companies and public services is intimately linked to ambitious information, consultation and participation rights of workers. Labour relations work best when they are based on social dialogue and workers’ involvement. It is important to find solutions to outstanding problems and this implies that rights should be strengthened and safeguarded.

The Council of Europe European Social Charter (ESC), also widely known as the ‘Social constitution of Europe’, as well as the Charter of Fundamental Rights of the European Union (CFREU) should be the compass for EU institutions and the Member States to act. Accordingly, it must be guaranteed, so that ‘workers or their representatives are informed and consulted, at the appropriate levels, in good time in the cases and under the conditions provided for by Union law and national laws and practices.’² Likewise, social dialogue between management and labour is key as reflected in the social policy chapter of the Treaty of the Functioning of the European Union.

Democracy at work needs much more than a mention of the EU acquis in the European Pillar of Social Rights (EPSR)³. It needs to identify any new, progressive course of action. The EPSR Action Plan underlines the important role of information, consultation and participation of workers in shaping economic transitions and managing both the ongoing twin transitions and globalisation. The Commission mentions the possibility to “improve implementation and enforcement” of a range of directives⁴ but fails to propose any avenue for substantive inclusion

¹ Eurobarometer 509 (2021) Available at

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/special/surveyky/2266>

² Art. 27 Charter of Fundamental Rights of the European Union https://www.europarl.europa.eu/charter/pdf/text_en.pdf

³ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9939&furtherNews=yes>

⁴ “Social dialogue, information, consultation and participation of workers and their representatives at different levels (including company and sectoral level) play an important role in shaping economic transitions and fostering workplace innovation, in particular with a view to the ongoing twin transitions and the changes in the world of work. At EU level, a comprehensive

of workers' voices in company decision making processes, and to close loopholes identified in EU law. The European trade union movement mobilises for political action to deliver concretely for workers in Europe and calls 2021 the year for More Democracy at work.

Introduction

Democracy at work is a key democratic feature to voice workers' interests and participate in the decision-making processes in businesses. Workers' participation and further trade union rights⁵ in resilient and sustainable companies and public workplaces providing perspectives for decent livelihood and social and environmental well-being in their home places and regions.

The Green Deal, the Recovery Plan from Covid-19, the new Industrial Strategy, Digitalisation will only work effectively with participation of workers as citizens at their workplaces. This will help workers to buy in changes and get ownership of the necessary transition.

Democracy at work is key to exerting a unique influence on decision-making in the workplace, through trade unions in the workplace, shop stewards, workers' representation bodies, European Works Councils (EWCs) and workers' board-level representation. Workers' participation and further trade union rights should substantially strengthen the impact of trade unions on companies' and public services' decision-making. Their involvement makes the substantial difference to trigger a just twin transition – to the benefit of all European citizens.

Democracy at work serves as a multiplier and it makes a real difference, in social, ecological, and economic terms⁶ all the more, in times of an unprecedented pandemic.

Democracy at work is under attack.

- Companies and managements too often do not comply with their legal obligations to involve workers' representatives before taking decisions which will impact jobs and working conditions. Whereas restructurings take place constantly in multinational companies, only 26.9% of EWC members had a meeting before the decision was taken.⁷
- Board-level representation is repeatedly ignored or circumvented. What is more: European legislation offers the possibility to companies to circumvent national provisions on workers' information, consultation & participation rights.⁸
- Public authorities barely intervene to ensure that workers' rights to timely information and meaningful consultation are fully enforced.
- New business models, bogus subcontracting chains and letterbox companies are on the rise to the detriment of workers' rights.

framework of Directives on the information and consultation of workers, at both national and transnational levels (Directives 98/59/EC, 2001/23/EC, 2002/14/EC, 2009/38/EC, 2001/86/EC), establishes rules to protect their rights in restructuring processes. National authorities and social partners must adhere to these rules. Specific modalities to improve implementation and enforcement of these directives could be envisaged." "The Commission encourages: ... • National authorities and social partners to ensure the information and consultation of workers during restructuring processes as required by EU rules and to promote the participation of workers at company level with a view to fostering workplace innovation." (<https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=9939&furtherNews=yes>; p. 16, 18)

⁵ ETUC 2019 Congress action programme, § 60. Democracy at work is one of the five priorities to build a new Europe for workers as identified in the ETUC 2019 Congress action programme (§ 31c). Furthermore, the ETUC Congress mandated the ETUC secretariat to go on the offensive and to strengthen its initiatives for More Democracy at Work (§71 ff.).

⁶ Rapp, Marc Steffen; Wolff, Michael: Strong codetermination - stable companies Mitbestimmungsreport No. 51, Düsseldorf 2019); ETUI: Benchmarking Working Europe (2019).

⁷ De Spiegelaere, Stan, and Romuald Jagodzinski. Can Anybody Hear Us? An Overview of the 2018 Survey of EWC and SEWC Representatives. European Trade Union Institute (ETUI) (2019).

⁸ Teichmann, Christoph, Chapter 5: Circumvention of Board Level Representation of Employees (May 6, 2019). Abuse of Companies, edited by Birkmose, Neville and Engsig Sørensen, 2019, page 27. Available <http://dx.doi.org/10.2139/ssrn.3383631>

The current pandemic has even exacerbated those existing practices.⁹ Waves of restructuring threaten to leave workers without any means to voice their legitimate interests and concerns. It is time for a European legal framework for workers' rights with effective dissuasive sanctions to take effect.

Building and maintaining the momentum: The joint 2020 ETUC-ETUF strategy on more democracy at work has shown the added value of a well-coordinated and to-the-point set of actions to anchor and maintain democracy at work on the agenda of the EU institutions and national governments. The ETUC, together with the ETUFs and national affiliates, has successfully organised a week of mobilisation for More Democracy at Work as well as a petition.¹⁰ Keeping this pressure in 2021 will be key to build on the successful strategy for More Democracy at Work.

2021 will be key for at least 4 reasons: first, to influence the expected legal initiative report of the EP on the revision of the EWC; second to pave the way for the own initiative report of the EP on a new framework for information, consultation and board level participation; third, to anchor democracy at work in current and future restructuring processes exacerbated by the pandemic; and fourth, as an indispensable feature to implement recovery plans at national levels.

The ETUC, together with its affiliates are the key actors to trigger and prompt those changes and shape sustainable transitions. This is the reason why the **ETUC proposes declaring 2021 – Year for More Democracy at Work**. We invite all actors of the trade union movement in Europe to join in this non-governmental alliance. This resolution on *2021 – Year for More Democracy at Work* intends to define the objectives (I), the reasons and the appropriate timing (II), relevant targets (III) and relevant actions (IV).

I. MAIN OBJECTIVES

The main objectives of the *2021 – Year for More Democracy at Work* initiative is to:

- make More Democracy at Work a priority on the agenda of the EU institutions and national governments and to lobby for:
 - the revision of the EWC recast directive;
 - new horizontal framework on information, consultation and board-level participation of workers for European company forms and for companies making use of company mobility instruments;
- strengthen Democracy at Work to address the consequences of the pandemic in a responsible manner across all workplaces, such as
 - erroneous transpositions of EU legislation;
 - monitoring of compliance with existing regulations;
 - enforcement of information, consultation rights;
 - raising awareness of the general public about the importance and output of Democracy at work.

2021 – Year for More Democracy at Work will also help to:

- shape a recovery that delivers for workers and their families;
- shape a recovery that delivers for society as much as for businesses;

⁹ ETUC: COVID-19 Watch – Workers' information, consultation & participation rights. Available at :

<https://www.etuc.org/sites/default/files/publication/file/2020-06/Covid-19%20Briefing%20Workers%27%20Information%20Consultation%20and%20Participation%20merged.pdf>

¹⁰ <https://www.etuc.org/en/mobilisation-week-youve-made-it-real-success;>

<https://www.etuc.org/en/petition-more-democracy-work-must>

- reinforce Democracy at Work and workers' participation as the best democratic antidotes to inequality;
- emphasise the role of Democracy at Work as the decisive factor to support economic and social cohesion, to shape twin transitions and restructuring of EU industries in a process of just transition, to provide for strong labour markets, and to make regions socially inclusive homes;
- improve the EU corporate governance framework;
- strengthen sustainability of workplaces.

II. WHY NOW

2021 – Year for More Democracy at Work is timely and appropriate for the various initiatives expected:

At EU level and in the aftermath of the pandemic, putting Democracy at Work on the recovery agenda now and making it a guiding principle for Social Europe in the future is key.

The current health crisis has shown the importance of health and safety measures at work. Information, consultation and participation rights are important to set in place the necessary health and safety measures.

In 2021 the European Parliament is expected to deliver a legislative initiative report on the revision of the EWC directive. Likewise, a European Parliament own initiative report on a new framework for information, consultation and board-level representation is scheduled in 2021. It is therefore important to influence these reports so that they take up our key demands.

2021 – Year for More Democracy at Work will also aim to set workers' participation as a priority in the various EU Council presidencies' agendas. The Portuguese (1st semester 2021) and the French (1st semester of 2022) Council Presidencies will be of particular importance. It is therefore key to mobilise during the Portuguese Council Presidency and pass the relay to the French Council Presidency using the Slovenian Presidency (2nd semester 2021) as a bridge.

Democracy at Work should be part of the anticipation of change including the recovery plan discussions and their implementations and a key element of monitoring the progress of just transitions.

Democracy at work should support the legally binding rights of information and consultation for civil servants and employees of central government administrations.

Cross-cutting files, such as human rights due diligence, responsible business conduct and gender equality, are currently being debated. Democracy at work needs to be included in these files and synergies can be exploited.

At national level, *2021 – Year for More Democracy at Work* will aim to better equip and support ETUC affiliates in their own actions towards respect and strengthening of workers' rights to information, consultation and board-level representation. It will help mobilise national governments in view of the pending EU initiatives listed above. In the same vein, it will support addressing national governments in cases of restructuring and in particular companies circumventing EU and national rules.

III. TARGETED INSTITUTIONS

The actions during 2021 – *Year for More Democracy at Work* will address the following targets:

- The European Parliament;
- The European Commission;
- National governments, the Council of the EU and the next EU Presidencies;
- Trade unionists and workers' representatives, European Works Councils;
- (Multinational) companies;
- The general public¹¹

IV. ACTIONS

The format and timing of the different actions will be flexible so as to adapt to the requests of affiliates as well as to fit in ETUC events and events in which the ETUC will be actively involved. Such actions could take the form of events organised or co-organised by the ETUC, national affiliates in all Member States and / or ETUFs in 2021. They will be announced on the ETUC website page on More Democracy at Work: <https://www.etuc.org/en/more-democracy-work> .

Targeted actions should aim at supporting affiliates, trade unionists, workers' representatives and EWCs facing for example restructuring processes, where information and consultation rights have not been respected by business.

The ETUC proposes targeted actions, such as mobilisation events to update MEPs on concrete cases of violations of information, consultation and participation of workers' rights, to support MEP rapporteurs (Dennis Radtke and Gabriele Bischoff) and shadow rapporteurs and their staff on key dossiers related to workers' voice.

Concerning targeted actions towards the European Commission, the ETUC proposes mobilisation events to alert the European Commission of concrete cases of violations of information, consultation and participation of workers' rights and even consider challenging the lack of infringement procedures.

Concerning targeted actions towards European Council, the ETUC will aim at strengthening its lobby actions towards the different members states, possibly on concrete cases of violations by companies located and/or with headquarters in the member state at stake, while liaising with the European Council presidencies for concrete support for more Democracy at Work.

The ETUC Secretariat will come back to the ETUC Workers Participation Committee to complement the roadmap of actions already discussed, including information on the source and allocation of resources needed.

¹¹ The call for greater democracy at work is widely shared by civil society and the academic community. The #DemocratizingWork call, launched by university experts in 2020, was signed, in a few months, by the ETUC, and more than 6,000 university professors, researchers, trade unionists and NGO leaders.