

## **Social partners' agreement on "European Works Councils in the Chemical Industry"**

**Joint remarks by the  
German Federation of Chemical Employers' Associations (BAVC)  
and the Mining, Chemical and Energy Industrial Union (IG BCE)**

The social partners' agreement concluded in 1990 between the German Federation of Chemical Employers' Associations and the Mining, Chemical and Energy Industrial Union, "Works Council contacts at European level", has stood the test of time. In it, the social partners of the chemical industry made a significant contribution to the process which led to the development of European Works Councils and the adoption of the European Directive "on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees" in 1994.

More than 200 European Works Councils currently operate in the chemical industry throughout Europe. Of these, over 40 involve companies whose headquarters are in Germany. A significant proportion of these company agreements were first concluded after the adoption of the social partners' agreement in 1990 and before the European Directive entered into force in 1996. It is the opinion of both BAVC and IG BCE that this basis, comprising tailor-made solutions negotiated between companies and employees in individual companies, was a key factor in the acceptance and successful operation of European Works Councils in the past two decades. This basis must be maintained and further developed.

In the past, the social partners have been able to make valuable contributions to developing good corporate practice by suggesting ideas and by advising European Works Councils and supporting them in their work. These forms of participation should be maintained.

BAVC and IG BCE believe that, in the light of twenty years of experience with the operation of European Works Councils and in view of the revised version of the Directive adopted by the European institutions in 2009, the previous remarks of the social partners in respect of the future work of European Works Councils should be further developed as set out below:

### **1. Information and consultation processes in European Works Councils**

Information and consultation of European Works Councils are defined in the revised Directive. The new definitions reflect good corporate practice; they give those concerned legal security and a clear basis for the way in which the information and consultation process will take place. These definitions are accordingly suitable for the corresponding development of company-level agreements.

The social partners in the chemical industry will work together to promote the further development of such agreements, that allow efficient and high-quality information and consultation of European Works Councils to take place. European Works Councils should organise their work in such a way as to ensure efficient internal communication. This will allow European Works Councils to adopt positions that will assist in the timely adoption and implementation of high-quality company decisions.

## **2. Interplay of European and national information and consultation processes**

The social partners in the chemical industry agree that this expanded new version of the Directive is of great importance to the relationship between national and European information and consultation procedures. Bodies representing employees at both national and European level should come to a common view as to the roles and duties of representation bodies at each of these levels, and should set up efficient and effective channels of communication.

European Works Councils should be consulted as close in time as possible to consultations held with the national employee representation bodies concerned.

The specific details of information and consultation processes must be designed to take account of the circumstances and structures of the companies concerned.

## **3. Balanced composition of European Works Councils**

IG BCE and BAVC suggest that the composition of European Works Councils should as far as possible reflect the make-up of the workforce in respect of the positions held, employee category and gender of the members.

## **4. Organisation of European Works Councils**

In the past, the creation of a smaller committee (steering committee, presidium, secretariat, etc.) of the European Works Council has proved to be a helpful and very rational instrument in developing good communication processes within and with European Works Councils. Smaller committees of this kind can make a decisive contribution to efficient consultation processes, working with employee representatives from sites or undertakings affected by company decisions where appropriate. Committee members should have or acquire relevant skills so that the committees can be as effective as possible. The chemical industry social partners welcome the fact that these bodies are now referred to in the revised Directive. They therefore recommend that appropriate measures be adopted.

All members of a European Works Council should be able to take part in communication processes within the European Works Council itself and with company management. Appropriate organisational support must be provided at company level.

## **5. Training and skills for members of European Works Councils and special negotiating bodies**

BAVC and IG BCE recommend that the social partners within a company should work together to analyse any training needed by the European Works Councils and to agree on any training provision that they think would be beneficial. The chemical industry social partners are of the opinion that training should focus on issues that are necessary to allow employee

representatives to fulfil their role as representatives in an international environment. This could in particular include learning methods of successful cooperation in an international body and promoting intercultural skills. This training for European Works Council bodies and their members must have as its objective to increase the efficiency and effectiveness of the work of the European Works Council.

Training for employees who sit on special negotiating bodies should give these employees a shared fundamental understanding of the role and tasks of European Works Councils and help accelerate the negotiating process.

## **6. European Works Councils' role in the event of restructuring**

In the past few years, European Works Councils have played an increasingly important role in the restructuring of companies, both with regard to dialogue with company management and in communicating with employee representation bodies at national level. European Works Councils can make an active and valuable contribution to the efficient and socially responsible implementation of company decisions.

In this context, the chemical industry social partners IG BCE and BAVC will support the development of new procedures to identify mutually acceptable positions within European Works Councils when sites in various countries are affected. Furthermore, the joint remarks of the European chemical industry social partners EMCEF and ECEG, set out in the “Restructuring, Managing Change, Competitiveness and Employment” project of September 2008 should be taken into account, and good practice should be further developed along these lines.

## **7. Adaptation of existing agreements on European Works Councils**

Corporate restructuring is essential from time to time to retain competitiveness. These changes may make an updating of European Works Council agreements necessary. It also appears to be sensible to conduct a joint review of the structures, content and working methods of the European Works Council at longer intervals, and to reach a consensus on any changes needed to the agreement in question.

This tried and tested approach to amending agreements should be continued. IG BCE and the BAVC are in agreement that the revision of the Directive does not affect the opportunity for existing procedures to be applied where changes to agreements are made necessary as a result of significant restructuring. However, in view of the provision laid down in article 13 of the recast Directive, it may be sensible to expand existing agreements (adaptation clause) so that a future adaptation agreed by all parties covering all possible instances of restructuring will be possible and legally secure. Care must be taken to ensure that the necessary adaptations are implemented soon before or after the restructuring, and that the option for complete renegotiation (article 5) is not excluded.

The chemical industry social partners, BAVC and IG BCE, have reached agreement on the following points with a view to supporting the development of European Works Councils in the chemical industry and helping resolve current issues relating to European Works Councils, provisions on the participation of employees in European stock companies, and promoting European social dialogue in the chemical industry:

1. A social partners' body, the “European Works Councils, European Stock Companies and

Social Dialogue in Europe” will be formed, with each side having six representatives.

This body will meet once a year to discuss developments in relation to European Works Councils, European stock companies and social dialogue in the chemical industry in Europe, and, where necessary and appropriate, to produce joint BAVC and IG BCE positions on these issues. Discussions will also cover other areas, including the appropriate dialogue with political circles, representatives of other industries and other interested groups, and with the general public.

2. The Chemie-Stiftung Sozialpartner-Akademie (CSSA) [Chemical Industry Social Partners' Academy Foundation] is tasked with proposing basic and advanced training courses for European Works Councils and their members, within the meaning of this agreement and with the participation of representatives of companies and European Works Councils.

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