



Robert Steiert

A Comparison of the Structures of selected European and World Works Councils

Berlin, Februar 2000



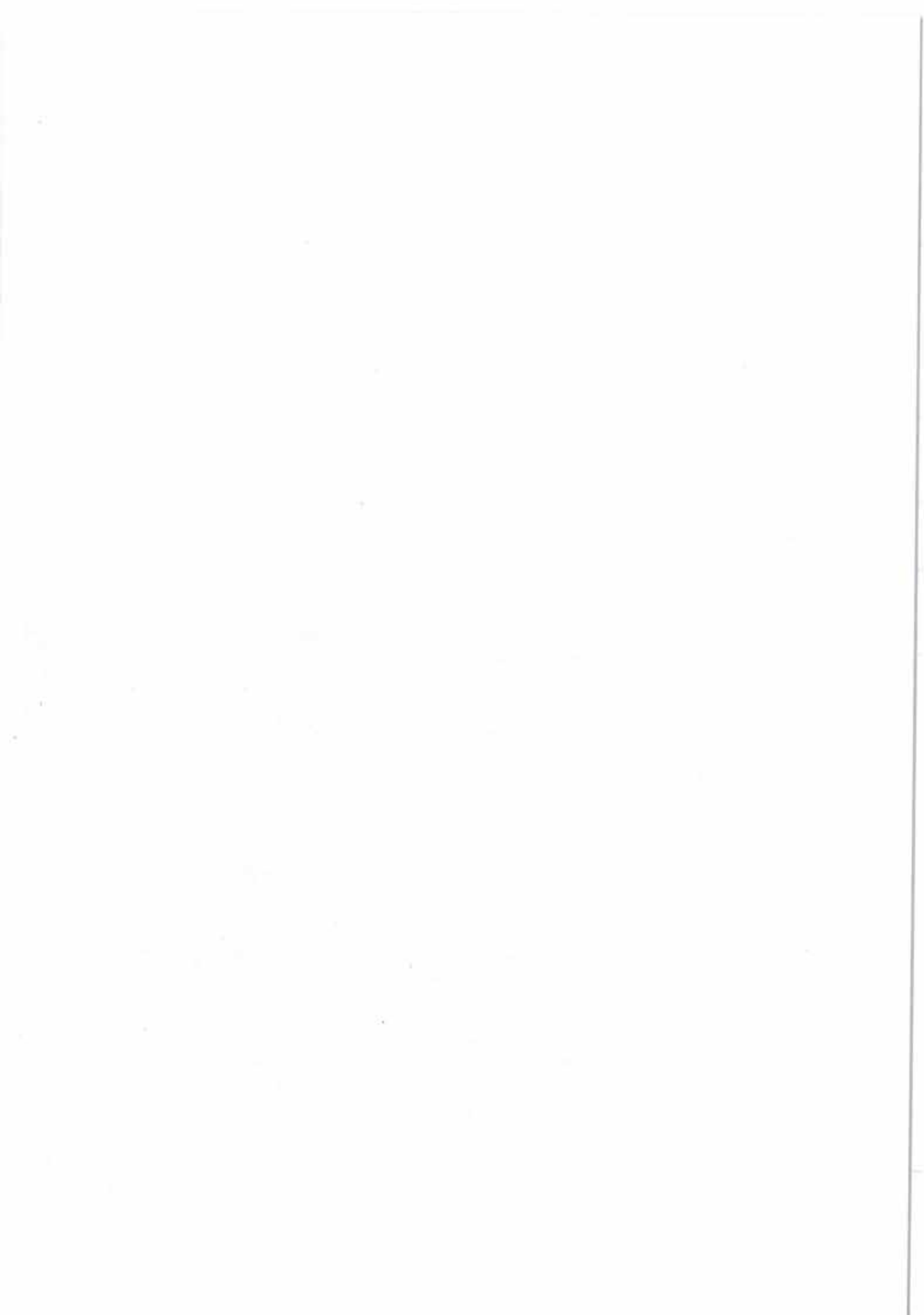


Table of Contents

	Page
1. Introduction	5
2. European Works Councils in the Automobile Industry	6
2.1 German Companies	
• Porsche	6
• Volkswagen	6
• BMW	9
• Daimler Chrysler	12
• MAN	14
2.2 American Companies	
• GM / Opel	17
• Ford	21
• Volvo Cars	23
2.3 French Companies	
• Renault	24
• PSA Peugeot Citroën	25
2.4 Italian Company	
• FIAT	27
2.5 Swedish Companies	
• AB Volvo	29
• Scania	31
2.6 Japanese Companies	
• Honda	32
• Toyota	33
• Nissan	34
3. European Works Councils in the Car Supply and Electrical Industry	
• Robert Bosch GmbH	36
• Siemens	38
• SKF	41
4. World Works Councils	
• SKF	44
• Volkswagen	46
5. Conclusion	48
6. Annotation	51

1. Introduction

The idea for this survey was conceived during preparatory work on a lecture to be given at the first conference of the Volkswagen Group World Works Council on 19th May 1999 in Barcelona.

The lecture included a review of the European Works Councils (EWC) of car manufacturers situated in Germany. Its aim was to demonstrate to what extent the varying concepts and problems encountered in individual companies lead to drastically differing structures in EWCs in their present form.

The ensuing discussion brought to light the fact that none of the participants at the conference was in possession of a complete review of the structures of the EWCs in the automobile industry and that a document of this kind would be greatly welcomed.

Experience in the field of employee representation confirms on a daily basis that against a background of globalization immediate further development of the structures of employee representation is necessary on an international level and not limited to the European Works Councils.

This report attempts to compensate the lack of information which was identified at the conference. Above all it was written to encourage a broader outlook and understanding of those companies in which it is not always possible to arrive at speedy and simple solutions as is seemingly the case in one's own company.

The report restricts itself to a description of the structures of European or World Works Councils (WWC) respectively together with a number of terms of contracts.¹⁾ Also included in the report – inasmuch as these are known to the author – are structures which enhance a EWC or WWC but which do not actually exist in a written contractual form.

An evaluation of the work of EWCs and WWCs, managerial policies on the availability of information, the quality of collaboration between employee representatives etc. are issues not investigated in this report. These subjects would require a more extensive and comprehensive analysis. Some EWCs have only been in existence a short while and convened but 2 or 3 times. It is therefore still too early for this type of exhaustive research.

An analysis of this kind together with a systematic comparison of the individual terms of contract and how they are put into practice in the EWCs, above all an investigation into the extent to which management fulfils its duty to inform – or (where agreed upon) to advise, remains a theme for future reports in the form of a series of dissertations or a doctoral thesis.

2. European Works Councils in the Automobile Industry

In September 1994 the Council of Ministers of the European Union adopted a directive for the establishment of European Works Councils (EWC) 2). According to the conditions laid down in the directive 3), 557 companies in the metal industry were in a position to establish a European Works Council. By the end of 1998, 190 of these companies had signed an agreement meaning that approximately 35 % of the companies fulfilling the requirements laid down in the directive now have European Works Councils. 4)

In the meantime, European Works Councils have been established for all those companies in the automobile industry, including commercial vehicles, which fulfil the conditions stipulated in the Directive. Only two companies – Volkswagen and Renault – established EWCs before the Council Directive was adopted.

The majority of car manufacturing companies in the European Union took this step in the period between 1994 and 1996 i.e. voluntary agreements were reached based on Article 13 of the Council Directive 5) albeit in some cases at the very last minute. Only two companies – Nissan and Scania – did not sign the agreement until after September 1996 – after expiration of the time-limit set in Article 13.

2.1 German Companies

Porsche is the only German car manufacturing company which does not have a European Works Council, the reason being that Porsche does not fulfil the requirements laid down in the Council Directive (at least 1,000 employees in Member States of the EU and at least 150 employees in two companies in each of two countries).

Of the remaining three German companies, **Volkswagen** was the first to adapt its operational and company-related structures of employee representation to a European level. The European Group Works Council (VW-Group-EWC) – the first in the automobile industry in Europe – was established in August 1990. At that time, the negotiated EWC was composed of 17 members from Germany (Volkswagen and Audi), Spain (SEAT) and Belgium (VW Brussels).

The contract was officially signed in February 1992. At that time it was impossible to foresee that two years later a majority of the Council of Ministers for the EU would vote in favour of a European legislation.

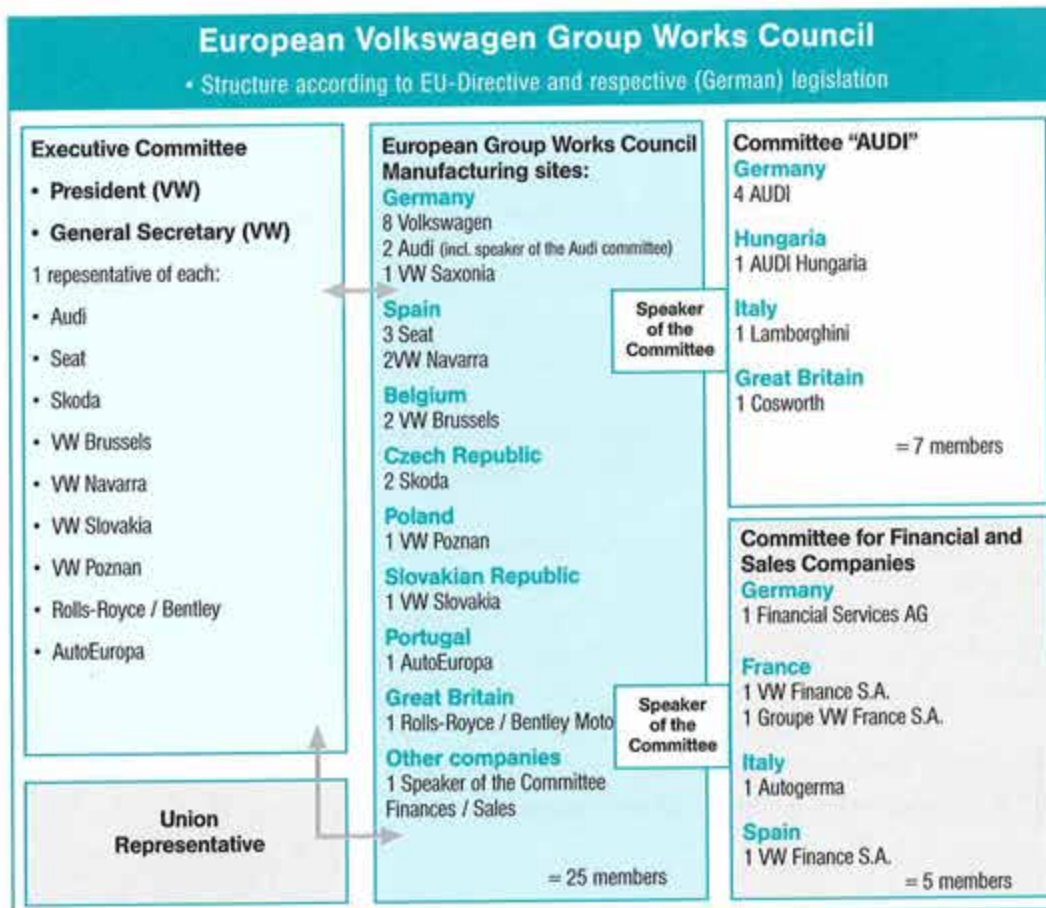
The original VW agreement was amended on various occasions, most recently on 20th May 1999.

The company has undergone a period of expansion over the last few years prompting the European Works Council to adapt accordingly. Whenever new companies whose manufacturing sections belong directly or are controlled by Volkswagen joined the group, new employee representative bodies were integrated without delay.

After the latest expansion in May 1999, the VW-Group-EWC now comprises 25 members from 8 countries. To deal fairly with special problems associated with Audi and the areas of finance and marketing, two committees were formed within the VW-Group-EWC which are represented by one spokesperson respectively at the European Volkswagen Group Works Council. This guarantees an optimal flow of information in both directions.



The structure and composition of the Volkswagen European Group Works Council and its Executive Committee at present is shown in the following chart



The preamble to the Volkswagen agreement specifies that group management and employees' representatives aim to "enter into a social dialogue on a European level" which will serve as "an active contribution to an improved future understanding and organization in the trend towards a political union of European States with a unified market". For the VW-group this means "the social obligation towards staff and manufacturing plants on the basis of an active collaboration with employees' representatives and trade unions.". The parties to the agreement see in the VW-Group-EWC a contribution "by means of a constructive dialogue and a co-operative management to resolving conflicts of an economic, social and ecological nature together on a European level."

The agreement stipulates that group management and the VW-Group-EWC should meet at least once a year in order to discuss topics "of importance on a group level to manufacturing plants in Europe". The main topics discussed include: safeguarding of jobs and manufacturing plants, the structure of local manufacturing plants, the development of group structures, productivity and costs, jobs (e.g. working hours, remuneration, job organization) and social benefits.

Further topics include information on new product technology, new forms of job organization, job security and the group's environmental policy. Group management is also expected to report on any "significant effects that political developments or decisions might have on the Volkswagen Group".

According to Paragraph 4 of the agreement, the VW-Group-EWC or its Executive Committee must be informed in good time of any planned cross-border relocations (e.g. investment priorities, volume of production, essential changes in business activities), in particular in cases where relocation could "have a detrimental effect on the interests of employees in the VW-Group's manufacturing plants". The VW-Group-EWC or its Executive Committee has the right to comment on the relocation within a period of time specified by common consent. It can also demand an explanation of the planned relocation within the framework of jointly arranged consultation meetings whereby sufficient notice of the meeting must be given to allow the position of the VW-Group-EWC to be taken into consideration in the process of decision-making.

The VW-Group-EWC is governed by a chairman who is at the same time chairman of the Executive Committee. The number of members in the Executive Committee is not predefined. It is laid down in the agreement that each country in which a VW manufacturing plant is situated should be represented by at least one member. This has the advantage that all decisions taken by the presiding committee show a broad consensus of opinion and a speedy information flow is guaranteed. The size of the VW-Group-EWC in terms of members is not laid down. "The decision as to the number of representatives to be elected should taken jointly, taking into consideration the size of the workforce appropriately."

In order to allow for different structures in employee representation in the different countries in Europe, a provision was made for the creation of national co-ordinating bodies in associated companies (cf. Enclosure 2, Figure II.2). Moreover, group companies undertook to ensure that members of the VW-Group-EWC "are supplied with a suitable infrastructure" which will enable each employee representative to collaborate to the full.

The relevant group companies are represented at the meetings between the VW-Group-EWC and group management (but not at internal preparatory sessions).

The European Volkswagen Group Works Council meets more frequently than all other EWCs. While the agreement stipulates "at least one meeting per year", practice is as follows: in 2 meetings of the Executive Committee and 2 plenary sessions a year, a regular and intensive exchange of information between employees' representatives among themselves or with group management takes place. At the plenary sessions, group management is always present in force including managerial staff high up in the hierarchy. The Managing Director himself takes part in the sessions on a regular basis instead of delegating his informational and advisory duties towards employees' representatives to the Labour Director or other managerial staff.

Up to the present day, a series of fundamental positions have been compiled and adopted in the meetings, among them an "agreement to refuse a take-over of production during strike", a "statement of the European Volkswagen Group works Council on the shortening of working hours in the Volkswagen Group" and a "guideline for the development of a modular factory in the VW-Group". Basic thoughts and opinions on the work of international works councils and trade unions have been put onto paper in the form of 11 theses. ⁴⁾

A comprehensive vocational training scheme which has been offered over the past few years sets an example to other EWCs. This program not only aimed to train members of the VW European Group Works Council. Trade union shop stewards were also found in the circle of participants. Together with regular written and verbal reports to the workforce, it contributes to the wide scope of support offered by the European Volkswagen Groups Works Council.

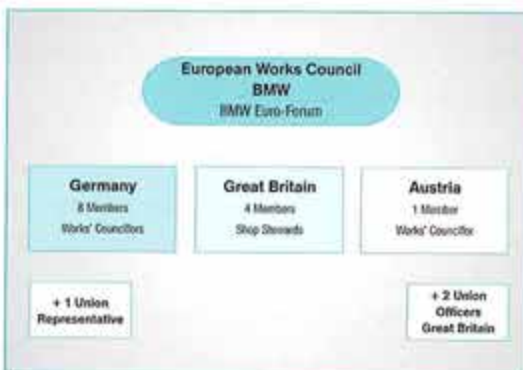
Throughout negotiations and all meetings of the European Volkswagen Group Works Council a trade union representative has always been present. It is his task to inform and consult all trade unions present in the different countries in which VW manufacturing plants are situated. In this way he is the link between the employee representatives in the European plants and the national trade union organizations. At a seminar for the national co-ordinators of VW manufacturing plants (or their subsidiaries) at the end of 1998 in Prague, these contacts were strengthened. This seminar was the first of its kind in which the nationally competent full-time trade unionists of one company came together with the European Works Council in order to harmonize their work and plan together for the future.

In March 1996, BMW became the second car manufacturing company to sign the agreement to establish a EWC. It is known as the BMW Euro-Forum. The structure of the company proved to be a special problem during negotiations with group management representatives. BMW has manufacturing plants in three European countries: Germany (in several locations), Austria (Steyr) and Great Britain (Rover – also in several locations). Great Britain under the Conservative Party at that time had not agreed to the EWC-Directive and announced that it would not be adopted as a national law in Great Britain ("opting out"). BMW nevertheless strove from the beginning to include the British manufacturing plants in the European Works Council. In Great Britain however no system of employee representation per company exists as is the case in Germany and Austria with the Works Councils. Trade unions continue to play an important role in Great Britain. They – and not the shop stewards – are the spokesmen in collective bargaining. They are also the contact person for all problems and conflicts. Added to that: Rover is extremely well-organized as regards trade unions. It was important to take this special role of the British trade unions into account in the structure of a BMW EWC.

Group management representatives declared themselves in favour of an immediate inclusion of Rover manufacturing plants in a European Works Council for BMW. However, they were not enthusiastic of the original plan to make special allowances for the significance of British trade unions in the system of industrial relations.

Nevertheless, after lengthy negotiations a solution was found but only applying to those countries in which manufacturing plants are situated. Marketing organizations are not directly represented in the Euro-Forum. They are indirectly represented via the BMW Combined Group Works Council in Germany and are informed directly by local management (Article 7).

According to the agreement the composition of the BMW EWC is as follows:



It is stipulated in the agreement that besides employee representatives from Germany, Austria and Great Britain, two full-time trade unionists from Great Britain be present at the BMW Euro-Forum meetings as permanent guests – "as long as the employer/employee relationships are largely determined by the trade unions" (Article 3). A trade union expert also takes part in the meetings who, because of the company's origins and the distribution of its workforce,

inevitably comes from Germany i.e. from the Trade Union of Metal Workers. The name "BMW Euro-Forum" is used to describe the negotiating body in which management presents its reports. Employee representatives among themselves are known as the BMW European Works Council.

An even bigger step was taken in the formation of the presiding committee – known as the "Steering Committee"



The member of the "Steering Committee" of the BMW Euro-Forum (Presiding Committee) who represents the interests of the British workforces at Rover in this negotiating body is not a shop steward from the operations delegation but one of the two full-time English trade unionists who belong to the BMW Euro-Forum as permanent guests. This regulation was a controversial issue in the lengthy negotiations. In the end,

management representation drew back and declared themselves willing to make a compromise on this point.

It goes without saying that the trade unions and the BMW Combined Works Council had to pay a price for this compromise on management's behalf. Management demanded in return an agreement with a period of validity of 10 years. Trade unions criticised such a long duration strongly but members of the negotiating delegation found the solution for the inclusion of English trade unions worth the price and moreover: English trade union participation was of course also ensured in this way for the complete period of validity of the agreement.

In linking the English trade unions to Europe, employees' representatives were sending a political signal to Great Britain. Firstly it was made clear that despite the British government's rejection of the EWC-Directive, the plan to include British manufacturing plants would not be dispensed with.

Secondly, management made it clear that the integration of Rover could not successfully take place working against but only together with trade unions.

The period of validity of 10 years (up until the end of December 2005) does, however, allow for amendments by common consent should changes in the structure of the group occur, for example the take-over of a new company or the opening of a new plant (Article 3).

The agreement is based on the assumption that employee representatives and employer will work together "according to the principles of mutual trust and co-operation for the benefit of the employees and the BMW Group".

The BMW Euro-Forum meets once a year at "one of the Group's car manufacturing plants". The BMW European Works Council has the right to hold a preparatory session. In "exceptional circumstances" which may "substantially affect the interests of employees" and in compliance with management, additional meetings may be held.

Inasmuch as they affect "the interests" of employees in at least 2 Member States", a report is especially required on the following topics: the economic and financial situation of the Group; the production and marketing situation; employment situation, "important investment schemes" or "substantial" cross-border relocation of production.

Costs incurred by the BMW Euro-Forum are borne by the Group according to an agreed schedule of expenses. An independent budget for the BMW EWC is not planned.

It is also stipulated in an annex to the agreement that both employee representatives and group management can express the desire to invite an expert to the meetings. A rejection of this wish by the opposing party is only possible if there is "sufficient cause". Furthermore, the chairman of the BMW EWC has the authority to invite "a further specialist employee for information purposes" to attend the sessions of the Select Committee.

The BMW European Works Council or its "Steering Committee" should be informed or consulted within sufficient time as to allow the respective employee's position to be included in the decision-making process.

Rules of procedure regulate the appointment of members from the workforce, their dismissal and the principles of their collaboration.

The same rules also determine that the chairman of the BMW Euro Works Council represents this body to management and outside BMW. An assistant from the Combined General Works Council acts as secretary for the body.

The agreement can be terminated after a period of notice of 12 months but not before 31.12.2005.

Four months after BMW but still before expiration of the period set for Article 13-Agreements, Daimler Benz (known today as DaimlerChrysler) signed the agreement. In contrast to VW and BMW, Daimler's business activities are not restricted to car manufacturing but range from areas such as aeronautics and astronautics (DASA) to financial services (Debis) and other business activities which are managed by Daimler directly.

European Works Council DaimlerChrysler			
Germany 21 Members Distribution: 11 Mercedes 6 DASA 1 Debis 1 MTU 1 Temic 1 Adtranz	France 3 Members Distribution: 1 MB France 1 Eurobus 1 SMART	Spain 4 Members	Italy 1 Member
Great Britain 1 Member	Netherlands 1 Member	Belgium 1 Member	Austria 2 Members out of it: 1 Eurostar

The DaimlerChrysler EWC encompasses all the group's business activities in one body. This is especially clear in the composition of the German and French delegations.

One alternative would have been to establish separate European Works Councils for each business activity (e.g. DASA, Debis etc.), connected by a smaller co-ordinating body made up of members from throughout the group to which management would report on company-level strategy. This alternative was not chosen for a number of reasons. However, should it be deemed necessary and having been consented to by group management, the agreement does provide for the establishment of a committee in each business activity comprising a maximum of 6 members.

In the DaimlerChrysler EWC, the majority of the representatives (21 from a total of 34 EWC members) comes from Germany. Despite a strong German presence, the distribution does not quite correspond to the distribution of the workforce among the countries included. The workforce is mainly concentrated in Germany i.e. "Europeanization" is less apparent here than in the case of other car manufacturers.

The aim of an exchange of information and opinions between group management and employees Europe-wide is to develop an understanding and willingness to co-operate which will ultimately lead to integration.

It is possible to inform and consult employees in one of two ways:

- by establishing a European Works Council
- management informs employees not represented in the EWC individually (decentralized method of reporting) based on the minutes of the meetings between the EWC and group management.

It was stipulated that the EWC comprise 30 members. At least 10 members should come from companies in other countries. The German members of the Group Works Council are automatically members of the EWC. The proportion of members from other countries is based on a fixed ratio of 1 delegate to every 1,500 employees or 1 delegate to every 3,000 employees where the workforce in one manufacturing plant exceeds a total of 4,500 employees.

If company structure is changed during the period of office, the EWC can be increased to 34 members. The composition of the EWC must however be renegotiated at the beginning of each new period of office.

Employees must be informed and consulted on the following topics wherever they have cross-border consequences: structure; economical and financial situation of the group; developments in the business, production, marketing and employment situation; investment, basic changes to organization; introduction of new working methods and manufacturing processes; relocation of production; mergers, cut-backs or closure of companies and manufacturing plants or important sectors thereof; mass redundancies and other exceptional circumstances which may have a substantial effect on the interests of the employees.

In exceptional circumstances with substantial cross-border implications it is possible to establish an ad hoc committee in individual cases at a particular level of business activity. At least one employee representative from each relevant section should participate in these ad hoc committee sessions.

In cross-border co-operation projects with other companies, it is possible for the relevant unit of companies to agree to the "establishment of a cross-border informational and consultative body". However, this body should restrict itself to representing those companies which are "actively" concerned with the realization of the object of the co-operation project. These companies are not represented in the DaimlerChrysler EWC.

The rules of procedure determine that the EWC is competent to pass a resolution whenever the majority of its members are present. Voting is based on a weighting principle of employees represented by one respective EWC member.

The agreement, which was signed on 25.07.1996, stipulates that together with a chairman, up to three vice-chairmen can be elected in the European Works Council. These persons form the Presiding Committee whose duty it is to prepare the EWC meetings and act as consultative partner for group management in matters of cross-border significance.

According to Sub-Paragraph 12 of the agreement, the EWC and the Presiding Committee can ask for support from a specialist assistant of their choice "wherever the performance of their duties requires it". Costs will only be covered for one specialist assistant. The wording of this clause secures trade unionist presence at the DaimlerChrysler EWC even if the agreement does not specifically mention the presence of a trade union representative.

EWC meetings are normally held once a year and preceded by an internal preliminary discussion of employees' representatives. The meeting is prepared by the Presiding Committee.

The agreement actually took effect on 20th September 1996. It can only be terminated after a period of notice of 6 months to the year end – at the earliest, however, after a period of 6 years.

A note to the protocol specified among other points that after 2 years a meeting should be held to evaluate experience up to that time and to negotiate any necessary changes or supplements to the agreement jointly.

Efforts by employees to structure themselves on an international scale had actually begun before the agreement for a EWC was signed. As a result of correspondence between group management and the then Combined Works Council of Mercedes Benz AG prompted by changes to the structure of the marketing section of business, an "International Working Group for Marketing" was called into existence in 1996.

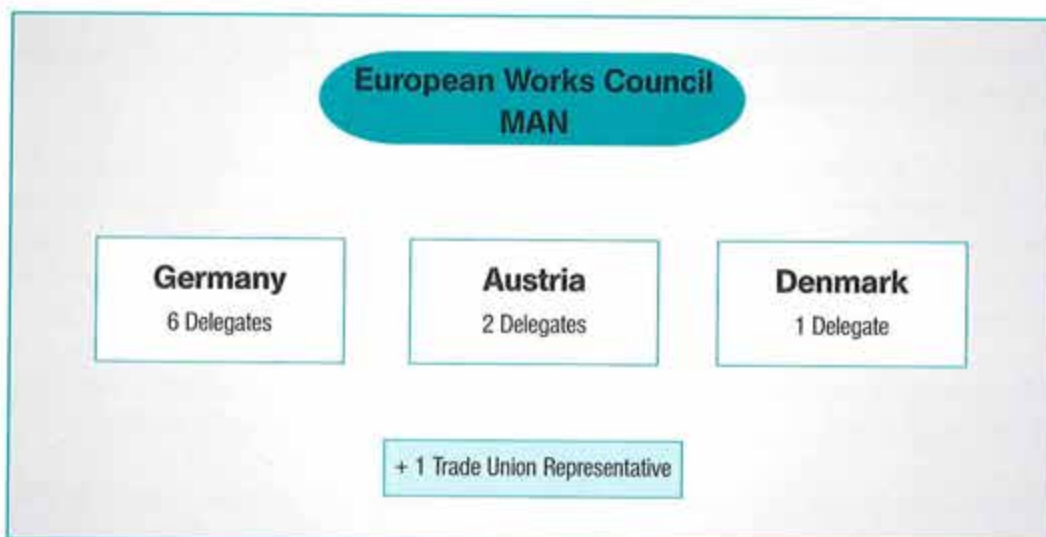
It comprises one representative from each marketing organization in those countries in which trade unionist or in-plant negotiating bodies exist in the marketing organizations.

The Working Group usually meets once a year in order to discuss aspects and problems of marketing organization with the responsible representatives of group management. At present, the Working Group includes representatives from Germany, Belgium, the Netherlands, France, Italy, Spain, Sweden and Greece.

As long ago as 1992, a "European Informational and Consultative Body" was established in a joint venture between the Daimler subsidiary DASA and the French company Aérospatiale, known as Eurocopter. The aim of this body is "to develop an extensive and constructive dialogue between the partners corresponding to the interests of the employees while doing justice to the requirements of a firm competing in the world-wide aeronautics and astronautics industry at the same time".

Discussions for a possible World Works Council which started after the merger of Daimler and Chrysler in a working group made up of IG Metall (Industrial Trade Union for Metal Workers), the American UAW (United Auto Workers Union) and the Canadian CAW (Canadian Auto Workers Union) have not so far yielded any definite results.

Manufacturer of commercial vehicles MAN signed an agreement in May 1996 – also within the period of time stipulated in Article 13. This agreement provides for two levels:



Representing the whole of the group MAN AG is a European Works Council made up of representatives from manufacturing plants in Germany, Austria and Denmark.

The delegates from Germany can be divided into 2 representatives from the Group Works Council MAN and two from the Combined Works Council of MAN Commercial Vehicles and MAN B & W Diesel respectively. The two delegates from Austria are drawn from the group's Austria-based manufacturing plants ÖAF and SNF. The Danish delegate represents the subsidiary company MBD-DK in Denmark.

The EWC MAN convenes once annually whereby this session is linked to the first meeting of the Group Works Council (GWC) and the board meeting which take place after the beginning of the business year.

Besides the economic, financial and human resources situation in the group or group sections, management reports on the following topics: group strategy, significant investment plans, fundamental organizational changes, cross-border relocation of business activities, closure of factories or parts of factories, employee qualification and education as well as any other matters which have a significant cross-border effect on the interests of employees.

If these topics affect only one country or if they are relevant to a country not included in the scope of the EWC Directive for the EU, then it is not necessary to report to the EWC on these topics.

In the occurrence of incidents cross-border significance between meetings of the various negotiating bodies, the president of the EWC or relevant forum is informed in a written report or notified verbally.

Apart from the chairman of the board of directors of MAN AG and representatives of group management, representatives of all the companies in the Group are permitted to attend the EWC meetings.

The business sections commercial vehicles and diesel motors are not only represented at the EWC on a group-level but also at so-called forums.



The forum for commercial vehicles is made up of 5 representatives from the Combined Works Council of the MAN Commercial Vehicles AG together with 2 representatives from each of the group's Austrian factories ÖAF and SNF. In the German delegation, one member must be appointed from each of the manufacturing plants in Munich, Nuremberg and Salzgitter respectively; two further members can be drawn from either the factories at Gustavberg or Penzberg or one of the service and sales organizations in Germany.

The second forum is for the business section diesel and made up of 4 representatives from the German factories, whereby at least two must belong to the Combined Works Council of MBD-D. Three further members are drawn from the three factories situated in Denmark. A trade union representative also takes part in these sessions on a regular basis.



The two forums meet once a year, if possible during the second half of the year. A number of the members of the forums are also members of the MAN EWC so that theoretically employee representatives are in a position to inform twice a year.

The EWC and the two forums each has a chairman and 2 vice-chairmen, whereby at least one of these persons must be elected from a foreign subsidiary. It is possible to invite a specialist assistant (usually a trade union representative) as a guest to the

meetings. If the presence of other experts is required, this must be agreed with the company prior to the meeting.

The agreement took effect on 31st May 1996. No period of validity was stipulated in the agreement. It can be terminated after a 9 month period of notice but not before a period of 8 years has elapsed.

Amendments resulting from developments in company structure are possible at any time subject to common consent.

2.2 American Companies

For a long time, the subsidiaries of American companies strove against the establishment of European Works Councils. Both the Combined Works Council and participants at a European Conference (1992) organized by the European Confederation of Trade Unions for Metal Workers (EMB) and the IG Metall (Industrial Trade Union of Metal Workers) offered, even demanded, negotiation, in particular with GM/Opel, at an early stage i.e. before the EU-Directive was adopted but their suggestions were rejected regularly.

In particular, the request to establish a small negotiating body in which employees would be informed about and given the opportunity to discuss the group's strategy and situation to complement the European Works Councils for each division e.g. Opel, Delphi, Delco etc. was refused.

GM came under an enormous amount of pressure when, at an informative event organized by the Irish government, one of its managers went so far as to claim that the EWC was an attempt by German trade unions to spread their model of codetermination over the rest of Europe. This reproach, published in the Financial Times, led to massive protests from trade unions and employee representatives. Publicly GM came under a lot of pressure and was forced to relinquish its "attitude of rejection".

An attempt to negotiate a model for a EWC directly with employee representatives in the company without consulting the trade unions also proved abortive. The majority of works councils refused to accept the invitation to the negotiating commission. ⁸⁾

The first official negotiations between GM and the trade unions and works councils did not take place until the beginning of 1996. They dragged on for several months. On 16th September 1996, shortly before the time-limit laid down in Article 13-Agreements had run out, the contract was signed with General Motors Europe. The GM supplier, Delphi, had already signed the agreement in April 1996 and another subsidiary with Europe-wide representation, Delco, signed in June 1996.

In the introduction to the agreement, the objectives of the agreement are laid down as follows: the "method of exchanging information" agreed at General Motors (Europe) should help to improve "the participation of GME employees in business as well as GME's international competitive strength with regard to quality, productivity and flexibility". It also "serves the purpose of ensuring an exchange of opinions and the establishment of a dialogue between employee representatives and management in topics of cross-border significance".

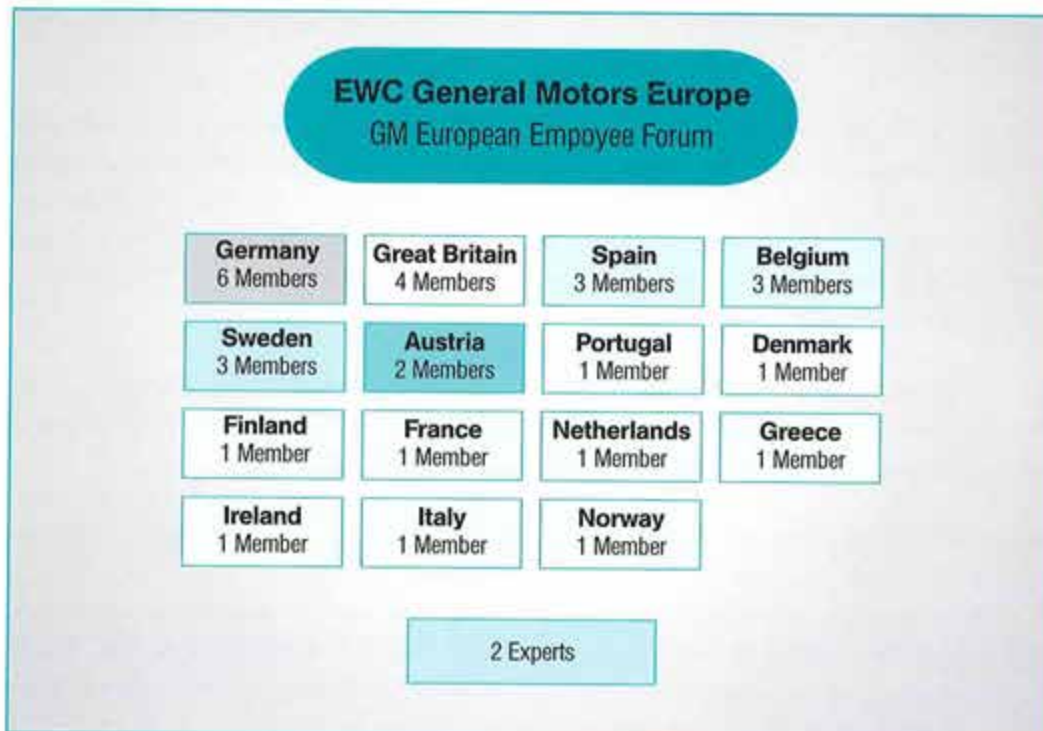
There is a fundamental difference between the European Works Council (EWC GM) as the negotiating body for employee representatives on the one hand and the "European GM – Employees' Forum" ⁹⁾ in which group management reports to the EWC.

The agreement includes not only those countries in which manufacturing plants are situated but also countries which have purely marketing and services organizations.

The EWC is presently made up of 30 members. This is the upper limit for a EWC laid down in the EU-Directive. The GM agreement therefore stipulates that in the case of an enlargement of the EWC (for example if new plants are built or new companies bought) the EWC seats must be re-allocated.

There are many reasons for the inclusion of marketing organizations. One is undoubtedly the desire of GM management to weaken the well-organized trade union influence in the manufacturing plants. To what extent they will be successful remains to be seen.

The composition of the EWC GM Europe can be seen in the following diagram:



Topics to be discussed at the European GM Employees' Forum include: the economical and financial situation; developments in production and sales; investments; trends and developments in employment; productivity and costs in individual plants; scheduled relocation of sections of production or service; new technology in production and new forms of employment organization.

The EWC elects a chairman and a vice-chairman. The chairman and the vice-chairman must come from different countries. Together with three further EWC members, they form the Steering Committee.

At present, the EWC GME Steering Committee, indispensable in a negotiated body of this size, is structured in the following way:



The European GM Employees' Forum meets once a year. The Steering Committee and management meet approximately 3 months in advance of the forum meeting in order to carry out preparatory work. The EWC also has the right to an internal preliminary discussion on the day before the actual forum meeting.

The minutes of the meeting are recorded by a secretary who is appointed by company management. The minutes are then passed by the EWC or its chairman and must be distributed within a period 3 months after the meeting. They form the basis by which management and local employee representatives are able to report to their individual workforce in a decentralized way.

A special meeting between the Steering Committee and management is possible if requested by either of the parties in the occurrence of "exceptional circumstances having a significant effect on the interests of employees" which cannot be postponed until the next scheduled meeting. It is also possible for representatives from the company affected to be present at such a meeting.

Five or six months after the forum meeting, the EWC and management meet to be informed on the subject of production. One representative from each manufacturing plant is invited to participate. This committee is known as the "GM European Employee Forum – Manufacturing Committee".

The GM European Employee Forum Manufacturing Committee is presently comprised of the following members:



In practice this means – at least for representatives of manufacturing plants who are at the same time EWC delegates – an exchange of information on a European scale twice a year. As in other agreements, expenses are dealt with in the following way: the central costs of the meeting are paid by group management while travel costs incurred by the individual delegates are borne by the relevant local company management.

"Business language" is basically English. Translating or interpreting services for other languages may be requested where necessary. The number of languages can be restricted to 6. To keep translator/interpreter costs to a minimum, delegates are encouraged to take part in language courses and, "where their EWC work requires it", to obtain skills in accounting, economics, finance or law.

"If necessary", the EWC can call upon up to 2 external specialists for advice. This regulation applies to both the EWC internal meeting and the forum session. Only 1 expert may attend the meeting of the Steering Committee. The participation of experts is "agreed between the Steering Committee and GME management in a previous discussion".

The agreement contains a series of restrictions which do not appear to this extent in any other agreement signed by a company in the automobile industry.

Paragraph 10, for example, stipulates that "the capacity of GM to make decisions" is "neither restricted nor delayed" by "the consultative process". "The process will not be permitted to affect the flexibility or competitiveness of GME".

The agreement goes on to say that should "circumstances" arise "in which immediate decisions or actions are imperative to avoid a loss for GME, then management will decide or act accordingly without first informing the EWC. In such circumstances, the EWC will be informed as soon as possible and before the general public".

A longer passage of the agreement devotes itself explicitly to the definition and regulation of confidentiality. It is laid down that "GME has the right to exclude any exceptional matters from the consultative and informational process which, if made public, would, in the opinion of GME and based on objective criteria, cause considerable loss to one of the companies or organizations controlled by the General Motors company ("GM Group").

The following text appears in a supplementary agreement: "external specialists who attend cross-border informational and consultative sessions or are members on the supervisory board or similar body at other car manufacturing companies may not attend of the forum".

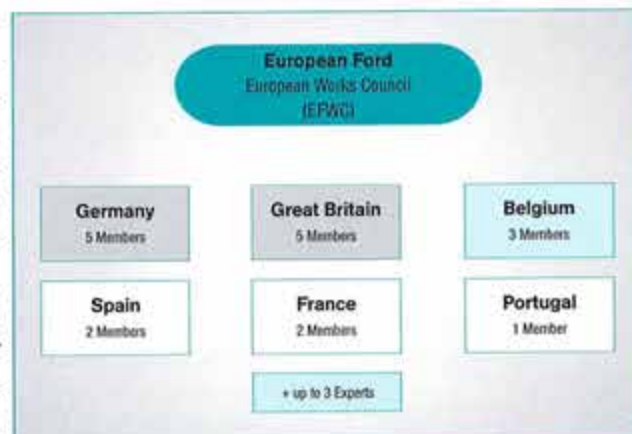
This agreement also has a relatively long period of validity of six years. It can only be terminated after a period of notice of 6 months to the end of the 6th year.

Experience will show to what extent these numerous restrictions will affect the attitude of GM management towards the EWC. Before and during negotiations which, as mentioned earlier, did not begin until a late stage, the fundamental attitude of the management of General Motors to a European Works Council could be characterized as negative, even critical. The incident in Ireland and the attempt to keep trade unions out of negotiations are obvious signs of this. Time will tell just how much this attitude has mellowed once employee experience in the EWC GME can be reiterated.

Of course, managers' attitudes and views can change rapidly and American managers in particular are reputed to "jump at" any new "theory" of business management thought up in some university or "think tank". This means that any such ideas can be incorporated into an agreement quickly to justify a change in attitude.

Ford was the second American company to sign the "Agreement to inform and consult Employees of the Ford Motor Company in Europe" in September 1996. In contrast to General Motors, the European Ford Works Council (EFWC) is made up of representatives from the manufacturing plants only. Countries in which only marketing organizations are situated are not represented at the EFWC.

The preamble to the agreement sets out its primary aims: "productive growth and a lasting competitive edge can only be maintained via a well-informed and committed workforce. In accordance with the policy of Ford 2000 and taking increasing globalization into consideration ... as well as the completion of a Single European Market, employees must be sufficiently well-informed to enable them to support the achievement of the company' aims as well as to understand its business requirements and opportunities and to recognize the effects of its decisions on



organizations and employees". The European Ford Works Council (EFWC) aims on the one hand to establish a forum in which consultation and information can take place on a European scale and on the other hand to ensure that points of view are mutually understood. These aims can only be achieved if "information and consultation" takes place "at the earliest possible stage".

Members of the EFWC are employee representatives from production companies in Germany, Belgium, France, Great Britain, Portugal and Spain. The 18 seats in total are distributed according to a ratio of the size of the workforce in these countries.

The agreement contains a catalogue of topics on which management should inform employees similar to the ones which appear in other company agreements and in the EU-Directive. These topics include the structure of the company, the economic and financial situation, the production and sales situation, the employment situation, investment / investment schemes, "fundamental" changes in organization, the introduction of new working and manufacturing processes, relocation of production or plants, mergers, reductions in factories, parts of factories or whole companies, mass redundancies.

Central management is only under obligation to report on these topics as long as this will not endanger "confidential operational and business policies" or "the manufacturing process of the company or the group will not be substantially affected after objective consideration".

Before the information has been published, the employee representatives must treat it as confidential and not pass it on to a "third party". "Third parties" do not include the national employee representatives.

In addition to the EFWC, the agreement stipulates that a presiding committee be elected (Select Committee) which is made up of a chairman, a vice-chairman and one other member of the European Ford Works Council.

It is possible to invite up to 3 experts "for consultation purposes" to take part in the EFWC meetings and up to 2 to attend the Select Committee meetings.

The meetings are held once a year. "In the occurrence of exceptional circumstances which have grave implications for the employees", Central Management and the EFWC may agree to additional meetings. The Select Committee may meet with Central Management as often as is necessary.

In addition to internal meetings of employee representatives the day before the EFCW meeting, the agreement permits the EFWC to call a further internal meeting at least once a year during the first four years of its term of office.

It is also expressly stipulated in the agreement that Ford companies from countries associated with the EEA (European Economic Area) can be included at a later date.

In those Ford-companies which are not represented at the EWC or do not have central employee representation bodies such as a Combined Works Council or Company Works Council – chiefly marketing and service organizations – a decentralized method of reporting is carried out by the individual local company management.

English is stipulated as the business language. Translation and interpretation services are provided. In general, all texts must be written in English, including the agreement.

The agreement runs for an unlimited period of time. It can be terminated by either parties after a period of notice of 12 months but not before 31st December 2002.

When Ford took over production at the Swedish car manufacturing company Volvo (Volvo Cars) at the beginning of 1999, an expansion of the European Ford Works Council would have been possible. This is not intended for the time being at least. Instead, the existing European Works Council for Volvo was divided into 2 negotiating bodies: Volvo Cars and AB Volvo.

Under Ford, Volvo Cars will retain its own EWC until further notice. To create a link between the two bodies, a small working group will be established which will be made up representatives from the Select Committees of both the European Ford Works Council and the EWC Volvo. For a detailed analysis of the contents of the Volvo Agreement please refer to Chapter 2.5.

The agreement for the establishment of the EWC Volvo Cars was revised in May 1999 and now comprises the following employee representatives:



In a similar way to that of BMW and GM, the Volvo Cars EWC operates under two names. The employee representatives among themselves are known as the "Volvo Cars European Works Council" (VCEWC). When the VCEWC meets management representatives, the body is termed the "Volvo Cars European Dialogue".

The presiding committee of the EWC Volvo Cars (known as the Select Committee) is comprised of three members of the EWC. As in most cases the presiding committee is

responsible for management reporting if this is necessary during the time between two meetings of the negotiating body.

In addition to the presiding committee there is a "Planning Committee" which is made up of two management and two employee representatives. It is the task of the Planning Committee to prepare the meetings of the Volvo Cars Euro Dialogue. It is also responsible for inviting external experts to the meetings - if both parties give their consent. There is no regulation in the agreement concerning participation of experts in meetings.

Another special feature of the Volvo EWC: according to the agreement, all meetings must be held in English with no interpretation provided. Documents must also be written in English.

2.3 French Companies

The first written agreement for the establishment of a "European Group Committee" for Renault was signed in April 1993. It was revised once in May 1995 and a second time in March 1998.

The aim of the Group Committee is to maintain a basis for information and dialogue on the "strategic orientation of the group on a European scale".

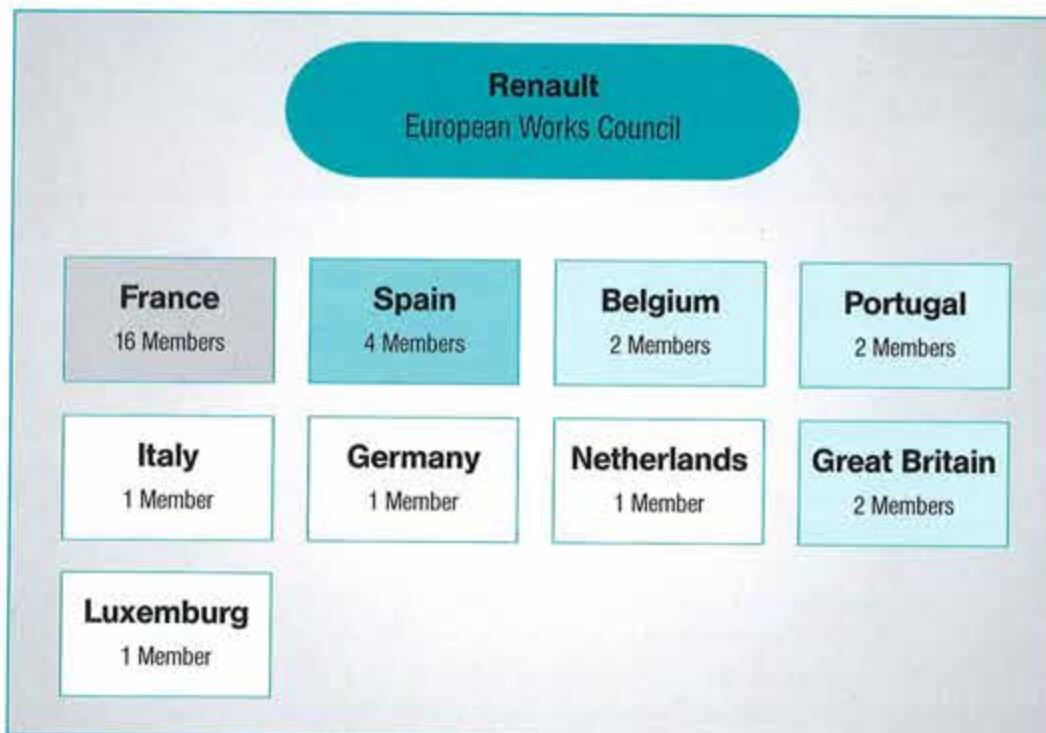
In particular, information should be made available on the most important developments in the group: the economic, financial and social situation, production and investment schedules, market development, the development of the employment situation, manufacturing techniques and general matters of occupational training.

All documents and forms must be submitted to the committee at the earliest possible date to allow an intensive exchange of opinions and sufficient preparation time for the compilation of a statement on management's stand.

The Group Committee meets at least once a year. The chairman of the "European Group Committee", who – as is the custom in France – is also the managing director of the group, is responsible for inviting members to the meetings.

The Renault committee is made up of 30 seats – the maximum number of seats stipulated in the EU-Directive. All majority-owned enterprises with more than 100 employees are represented.

The seats are distributed as shown in the following diagram:



Three observers from other Renault companies who do not officially belong to the committee also attend the committee meetings. At the time at which the agreement was signed, Renault worked in close co-operation with the commercial vehicles section of Volvo. For this reason, 2 observers from Volvo were also included.

The employee representatives elect a bureau (presiding committee) from their midst consisting of one secretary and 7 deputies. The members of the bureau are awarded time-credit for carrying out their tasks. For the secretary this time-credit amounts to 150 hours a year and for the other members of the presiding committee 100 hours are allowed. The bureau has an annual budget of FF 260,000 at its disposal.

The period of office is 2 years.

There is no regulation in the agreement concerning the invitation of external experts to meetings which would ensure trade union support in this negotiating bodies.

The agreement is not limited to a pre-determined period of time. It was expressly concluded for an unlimited period of time. However, the agreement is reviewed every two years with a view to revising regulations if necessary. Particular care is taken over the distribution of seats.

The second French car manufacturer to sign an agreement for the establishment of a European Works Council was **PSA Peugeot Citroën** in July 1996.

The "European Committee" was structured as follows:



The wording of the agreement is short and precise: the European Committee is a structure established to provide information, dialogue and an exchange of opinions on the orientation of the Group on a European level, above all the situation and development in economic, financial and social areas in all subsidiaries in the European Union.

The negotiated body is based on French legislation. The nucleus of the "European Committee" is formed by the Comité de Groupe (vaguely similar to a Group Works Council) which is established according to French law and comprises 30 participants. Added to these 30 participants are 12 representatives from European companies which are mostly marketing organizations.

As is the case at Renault, the managing director of Peugeot is also chairman of the "European Committee".

The agreement explains again only very briefly to what extent and in what form information should be passed on to the committee. It simply specifies that all information made available to the French Comité de Groupe should be passed on to the European Committee. This information should include above all the group's financial and employment situation together with its economic prospects.

The agreement stipulates that the committee should elect a secretary and a deputy who hold their office for two years but it does not specify the role or task of these two positions. Likewise there is no provision for a meeting of employee representatives or refunding of costs incurred in holding such a meeting (e.g. for interpretation).

The chairman and the secretary prepare the agenda of the committee meeting which is to be held at least once a year in Paris.

The committee has the right to invite one expert who, by French law, must be an "economic consultant". The consultants (some of whom have close ties to trade unions) advise the employee representatives on their analysis of the balance sheet.

The agreement also stipulates that the time spent by employee representatives at committee meetings counts as working time and should be paid as such! The members of the committee also receive a further paid working day to enable them to meet for a preliminary discussion the day before the meeting.

Members of the committee are elected for a period of two years.

The agreement was signed for an unlimited period of time. Every two years it is automatically extended for a further two years. Both parties can terminate the agreement before the two year period has expired with a period of notice of 6 months. Revision to parts of the agreement, whether suggested by a trade union or management majority, can be carried out without terminating the whole agreement.

The agreement was signed by representatives of all the French trade unions and by the European Metalworkers' Federation (EMF).

Due to the inclusion of the complete French "Comité de Groupe", this body with its 42 employee representative members is the largest body to be established on the basis of the EU-Directive. However with regard to the content of the agreement, especially the employees' right to information, it falls sadly behind. Rights of consultation are not mentioned at all.

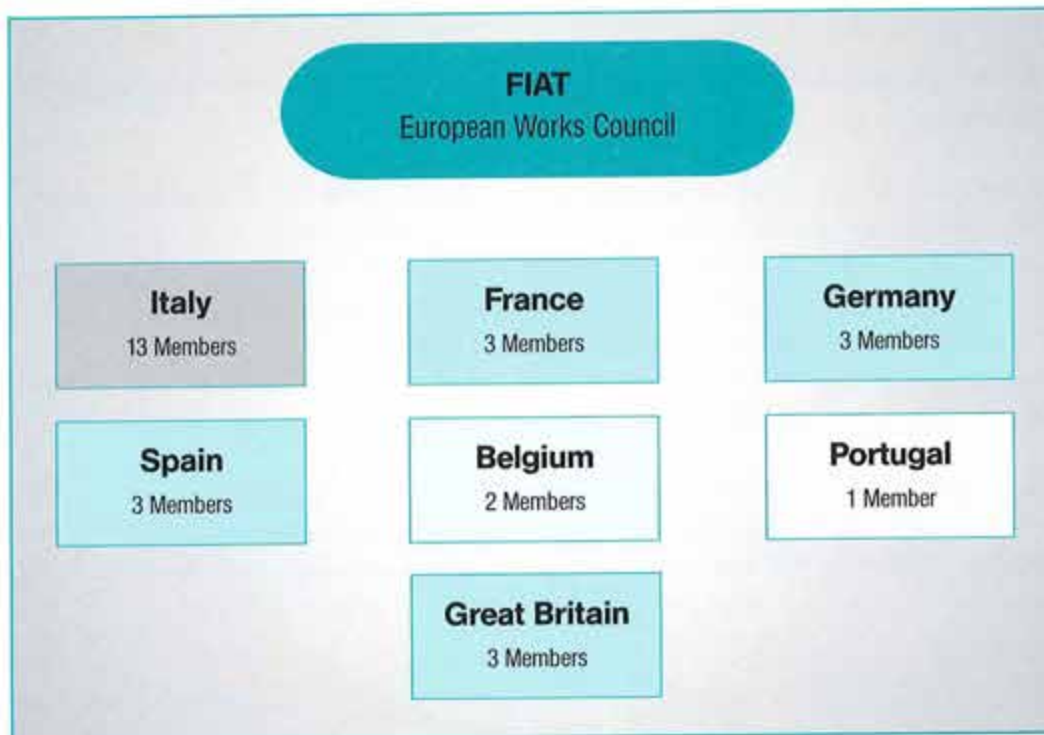
2.4 Italian Company

In March 1996, negotiations with **FIAT** ended successfully and an agreement to establish a "European Works Council for the FIAT Group" was signed.

Once again the problem arose at **FIAT** of vastly differing fields of business activity (cars, commercial vehicles, manufacture of components, agricultural machinery, production systems, financial services and insurance) on the one hand and representation of the group in almost all EU Member States on the other hand. In some countries, however, representation is limited to sales and marketing organizations with a workforce of less than 100 in the whole of that country.

At this time, the complete workforce amounted to 155,000 at that time, whereby (true to tradition) approximately 123,000 were employed in Italy itself.

The EWC FIAT is comprised of 28 members from the following countries:



"By forming a negotiating body whose aims are to promote information and consultation between the company management and employee representatives on a European scale, the contracting parties are confirming their desire to pursue a co-operative path to the system of worker relationships on a cross-border level. They recognize that this step is necessary to the interests of the employees as well as to the company's aims of expansion and competitiveness."

The EWC must be informed and consulted on the following topics: the economic and financial situation of the group and the branch, developments in production and sales, strategic investments on a group scale, the employment situation and developments; fundamental changes in group organization; the introduction of new methods of work and manufacturing processes which concern the group as a whole; factory closure, relocation of production and merging of companies or parts of companies where these will substantially affect employment.

The individual national delegates are elected by trade unions or existing company employee representation bodies. Delegates must have been employed by the company for at least three years.

The EWC represents all business sections of the FIAT Group. The distribution of its 28 seats is laid down in the agreement and is based on the distribution of the workforce in the individual countries. It is impossible to tell if each business activity is equally represented. The number of members can be increased to 30 should the EU expand to include new Member States.

The EWC FIAT meets once a year. The meeting usually takes place in September. The employee representatives have the right to meet one day in advance of the meeting to prepare for it.

The trade unions who signed the agreement may send up to 4 representatives to be guests at the meeting.

Furthermore, the agreement contains a regulation for the formation of a presiding committee (Executive Committee) made up of employee representatives comprising a maximum of 5 members of the EWC. It is their duty to discuss the agenda of the meeting with management and to check the minutes of the meeting which serve as a basis for the decentralized information of employees in those companies which do not have a representative at the EWC. The presiding committee can be convened at the instigation of either management or employee representatives should urgent cases make it necessary between meetings.

The delegates are elected for a period of 4 years. The agreement also has a period of validity of 4 years i.e. it expires in March 2000. It is not possible to terminate the agreement before this date. In the year 2000 a renewal of the agreement or amendments must be re-negotiated.

2.5 Swedish Companies

The European Works Council of the biggest Swedish car manufacturing company Volvo goes back to an understanding reached in August 1993 and was signed in April 1994 by two Swedish Federations of Trade Unions and the management of Volvo. In October 1992 the trade unions had already introduced a Volvo European Trade Union Committee which was sanctioned in 1994 in this written statement. Within the framework of this statement, the management of Volvo agreed to accept the Trade Union Committee's invitation to attend their meetings and to report on the economic, financial and employment situation at Volvo. Management also took over the costs of the meetings.

In December 1996, a detailed agreement between trade unions and the management of Volvo was drawn up which regulated collaboration and composition etc. in detail.

Volvo was at this time the only remaining Swedish car manufacturing company after Saab had been bought by General Motors / Opel a number of years before.

At the beginning of 1999, the automobile branch was sold to Ford. The EWC agreement had to be amended at short notice and two separate EWCs were established – one for Volvo Cars (car manufacturing – cf. Chapter 2.2 under Ford) and one covering the remaining activities of AB Volvo. The contents of the two revised agreements are the same – only the structure of the representation bodies was changed to adapt to the different structure of the companies.

The EWC for Volvo Cars will remain unchanged for the time being and not be taken over by the European Ford Works Council (EFWC). A link between the two EWCs is provided by a working group made up of members of both presiding committees (steering committees).

Shortly before this brochure went to press, a further structural change was announced. Volvo was to take over the Swedish manufacturer of commercial vehicles Scania. This move however will not cause any changes in the structure of the EWC for the time being. According to the Swedish trade unions, a merging of the two councils will not be contemplated until the merger has been approved by the cartel authorities.

Based on the agreement revised in May 1999, the EWC for AB Volvo is now structured as follows:



In the same way as Volvo Cars, the EWC AB Volvo operates under two names. The body of employee representatives only is known as AB Volvo European Works Council. When employee representatives meet with management representatives, the body is known as the Volvo European Dialogue.

AB Volvo is involved in numerous business activities which are all covered by one EWC AB Volvo. Apart from the production of commercial vehicles, these activities include the transport branch, the computer industry, equipment for the building industry and much more.

The joint meeting of the EWC Volvo and management is held once annually, if possible during the second quarter of the year. Subject to the agreement of both parties, additional meetings may be held. The meetings are prepared by a Planning Committee comprising two EWC Volvo representatives and two management representatives.

The Volvo European Dialogue holds its meetings in English and all written material is also in English. The agreement does not specify that translation services are offered. In this point the agreement differs from other agreements. Despite language courses, the practicality of this arrangement is questionable. Employee representatives may hold an internal preliminary discussion.

The catalogue of topics to be discussed by the Dialogue is comparable with that agreed to in other companies: company structure; the economical, financial and social situation and development, production and sales; investment, relocation of production, mergers and new production techniques; mass redundancies and job security.

The presiding committee of the Volvo EWC (known as the Select Committee) is made up of three EWC members. It is responsible for ensuring that management supplies adequate information between meetings of the full negotiating body whenever this is necessary.

The above-mentioned "Planning Committee" decides by common consent which external specialists should be invited to the meetings. There is no provision in the agreement to regulate the general participation of such specialists at the meetings.

Members of the "Dialogue" are elected for a period of three years.

The agreement took effect in its revised form in May 1999 and can only be terminated after a period of notice of 12 months but not before 1st January 2002.

Scania did not sign an agreement for the establishment of the "Scania European Committee" until November 1998. The committee is structured as shown here:



Scania, the second manufacturer of commercial vehicles was very late in signing an agreement for the establishment of a EWC – two years after the time-limit set in Article 13-Agreements had expired.

In the distribution of delegates, Sweden is the only country represented by more than one delegate. This is due to the fact that the majority of the workforce is concentrated in Sweden. There are manufacturing plants in the

Netherlands (with approximately 2,100 employees) and France (approximately 525 employees) but the number of delegates from these countries is no higher than the number of delegates from countries where only marketing, service and sales organizations are situated.

There was a proposal to extend the EWC to include representatives from Great Britain, Norway and Switzerland before the end of 1999 but in the light of a possible take-over by Volvo, it remains to be seen whether or not this will come about. If the merger does go ahead, it is possible that the whole concept of the EWC will be re-negotiated to cater for the structure of the new merged company.

The "Scania Committee" meets once a year with management. A preparatory meeting of employee representatives only is held on the day before the session with management.

The agreement allows employee representatives to arrange a further meeting without management if desired.

A steering committee (the Select Team) comprising up to 3 members plans the meetings with representatives of the company. Here the minutes of the committee meetings with management and reporting methods are agreed.

Management can inform only the Select Team (which acts as representative for the committee) if exceptional circumstances necessitate a rapid decision.

It is also the Select Team which decides on the participation of an external specialist in the Scania Committee meeting and issues the invitation correspondingly. Here too, participation of a supervisor is not "automatic". The agreement simply states "... provided that expenses are kept in proportion" and the company is informed beforehand.

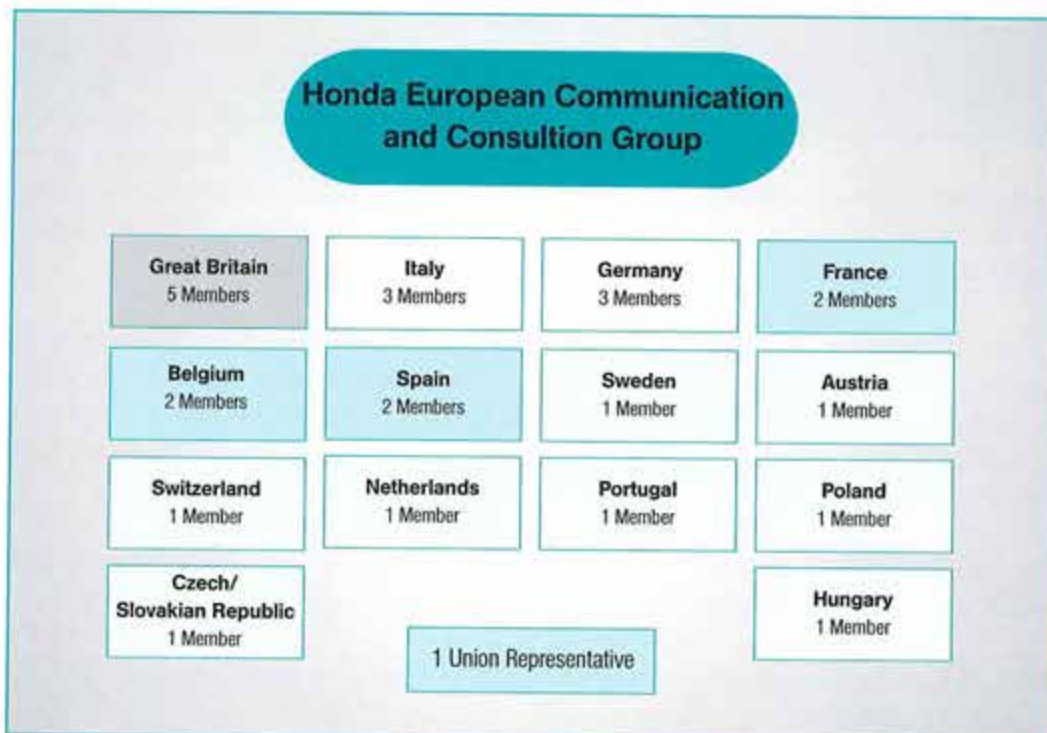
Language training is provided although only for English.

The agreement has a validity period of 4 years (i.e. up to the end of the year 2001). Should neither of the contracting parties express a wish to re-negotiate the agreement within 6 months of the expiry date, it will be renewed for a further 4 years.

2.6 Japanese Companies

Japanese companies were every bit as reserved in their reaction to European Works Councils as most of the foreign companies in the automobile industry in the European Union. Their negative attitude at the beginning was strengthened all the more by the refusal of the English Conservative Government to adopt the EU-Directive in Great Britain. The manufacturing plants and also the European home offices or holding companies of a number of Japanese car manufacturing groups are situated in Great Britain.

In March 1995 Honda was the first Japanese car manufacturing company to sign an agreement. This agreement was renewed in March 1998 and the expiry date is now in the year 2003.



A "Honda European Communications and Consultation Group" (abbreviated to HECCG) was established in which every Honda factory with a workforce of more than 50 is represented by 1 delegate. In any case, one representative of each European country in which Honda has a majority-owned enterprise with at least 15 full-time employees should be present. ¹⁰⁾

The agreement calls for one meeting a year in the first quarter of the year. A further meeting can be arranged if necessary. The company chooses a chairman of the group. Likewise the company appoints a so-called co-ordinator. Should a situation arise between meetings which will substantially affect the employees of more than one manufacturing plant, then the co-ordinator can himself request (or on behalf of the representatives from at least 2 factories which are represented at the "Honda Communications and Consultation Group" or a "European manager") that a small working group made up of representatives and the manager of the relevant factory is established. This working group – acting on behalf of the HECCG – is supplied with the information necessary for dealing with this specific problem.

Topics to be reported on at the HECCG sessions are the company's current European business activities and the plan for company business for the coming financial year. Further topics for discussion - often a voluminous catalogue in other company agreements – are not specified in the agreement.

In the same way, no provision is made for direct and genuine consultation on cross-border decision-making. On the contrary, the agreement contains one explicit paragraph which emphasizes that members recognize that management has the sole responsibility for company decisions.

The agreement also states that all delegates taking part in the "Honda European Communication and Consultation Group" meetings will be provided with the information necessary to prepare for the meeting. All documents which are not classified as confidential will be distributed in written form. These serve as the basis for employee representatives and managers to report to their workforce in individual manufacturing plants.

Language courses are made available. English is the basic negotiating language. Translation services may be applied for to the co-ordinator.

The agreement does not contain a provision for the participation of an external specialist.

The agreement has a validity period of 4 years. The current expiry date is 28th February 2003. There is an option to review the agreement one year before expiry date. Otherwise the validity period is extended to a further 4 years.

Toyota was the second Japanese company to sign an agreement to establish a "Toyota European Forum" in July 1996. Toyota has a number of companies situated in Europe which employ fewer than 20 people. The majority of these companies are marketing, sales and service organizations. The only manufacturing plant worth mentioning is in Great Britain with a workforce of over 2,000.

The structure of the company and the regulations set down in the agreement result in the "Toyota European Forum" as it is shown here:



The aim of the Toyota European Forum is to encourage an exchange of information on the company's various business activities in Europe. The agreement goes on to say, however, that members of the forum recognize the independence of individual firms and their individual systems of employee representation.

An exchange of information and opinions is sought on a range of topics, in particular the following: the structure of European operations; trends in employment; business results;

investments; research and development. Employees must also be informed of cross-border transactions, for example relocation of production, mergers, reorganization, job security and vocational training.

The Toyota European forum meets once a year. Employee representatives are permitted to hold a preliminary meeting the day before the forum session. The agreement stipulates that the participants in the forum meeting i.e. both employee and manager representatives must be in possession of any documents the day before the meeting to enable them to prepare themselves.

The meeting is planned by an "Administrative Sub-Committee" which is made up of 3 employee representatives and 3 representatives from the human resources departments. As well as the chairman (who is drawn from the management representatives) the "Administrative Sub-Committee" can also call a special meeting if over 50 % of members vote in favour of this.

The Administrative Committee is also responsible for producing a report detailing the most important points discussed at the meeting. This report must be distributed to each organization within 2 working days after the meeting. Once it has been translated into each language, it serves as a basis for informing the entire workforce.

English is the business language at Toyota. The "Forum Co-ordinator", who is nominated by the company, is responsible for arranging translation/interpretation services. These services are however only available for a "limited number" of European languages.

The employee representatives in the Administration Committee can insist on the presence at the preparatory meeting of a trade union representative who is appointed by the European Metalworkers' Federation (EMF). The trade union representative can also be invited to take part in the forum session.

The agreement has a validity period of six years. Once this period of 6 years has expired, suggestions for revisions can be discussed in the forum. These suggestions are only effective if confirmed by the contracting parties. Afterwards the agreement is valid for an unlimited period of time. Suggestions for an improvement of the practical and technical organization of the forum can be made at liberty.

The last in the round of Japanese car manufacturers to sign an agreement was Nissan. The agreement to establish a "European Works Council and the "Nissan European Communication Forum" took effect in June 1998. The agreement includes a number of Nissan subsidiaries situated in the EU. Manufacturing plants are mainly situated in Great Britain and Spain.

Resembling the structure at BMW and Volvo, there are two different bodies existing at Nissan: the "European Works Council" which is made up of the factory employee representatives and the "Nissan European Communication Forum" in which the Nissan EWC and management representatives from the various subsidiaries come together.

The distribution of seats is carried out according to the ratio of one delegate per country plus further seats depending on the percentage of the total European workforce employed in that country.

The European Works Council Nissan which represents the employees at Nissan has the following structure



Management presents its report in the Nissan European Communication Forum. The catalogue of topics to be reported on is similar to that of other companies. It includes "all matters of cross-border interest".

The EWC may hold an internal meeting the day before the forum session. It may elect a secretarial committee to which one representative from Great Britain and Spain respectively must be a member together with one further representative from another country.

Forum meetings are held once a year. After a trial two-year period is over, the frequency of the meetings will be reconsidered and changed if necessary.

The agreement states specifically that management will continue to have the right to make decisions and put them into effect. Management is not under obligation to distribute information which, if disclosed, may have a detrimental effect on Nissan or individual companies in the Nissan Group.

Vocational and language training is made available to EWC members. The working language is English. There is no regulation in the agreement for the invitation of external experts to forum meetings.

The agreement was signed for a period of four years. The EWC can only terminate the agreement if two thirds of its members from at least 4 countries agree to such a resolution.

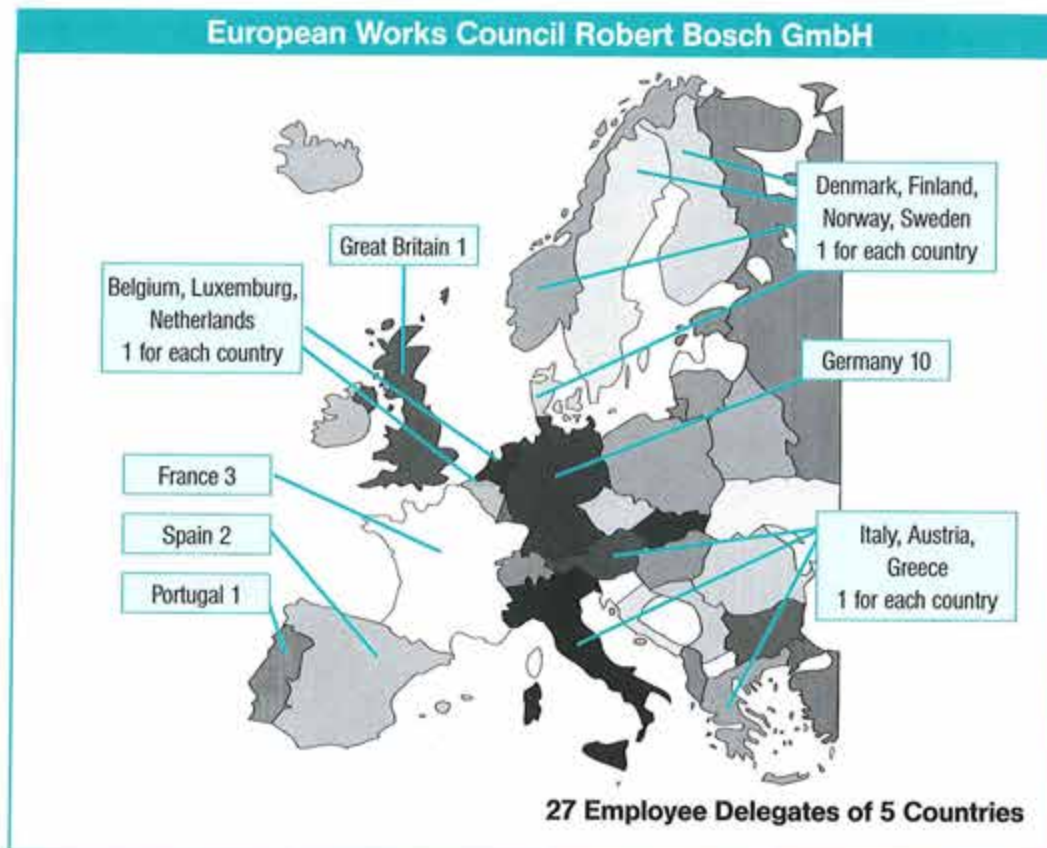
3. European Works Councils in the Car Supply and Electrical Industry

This chapter compares three European Works Councils in companies not in the automobile industry. It is intended as a brief outlook on the structures of other companies and the problems they have encountered in the establishment of a European Works Council. All three companies are engaged more or less in the automobile supply industry.

The first company, **Robert Bosch GmbH**, transacts approximately 63 % of its business in the automobile industry. 11)

For a long time, the management of Bosch opposed the demands of trade unions and the Group Works Councils to initiate negotiations for the establishment of a European Works Council. This strong position of rejection led to the time-limit laid down in Article 13-Agreements expiring with no contract signed. A negative attitude was also shown by Bosch-Siemens-Hausgeräte (BSHG) (Bosch-Siemens-Household-Equipment), a 50:50 joint venture between Bosch and Siemens. The persuasive powers of the Siemens representatives prevailed however and an Article 13 - Agreement was signed in September 1996

Not until May 1998 did Bosch conclude negotiations based on the EU-Directive and finally establish its EWC. The EWC comprises the following delegates:



The agreement to establish a "Europa-Committee der Bosch-Gruppe" (EC) ("European Committee Bosch-Group") was signed in April/May 1998 and finally took effect on 1.7.98.

As in the case of GM / Opel, the European Works Council for Bosch includes not only countries in which manufacturing plants are situated but also countries in which only marketing, sales and service organizations with a smaller workforce are to be found.

As Bosch was not prepared to negotiate and sign an agreement voluntarily, a "Special Negotiating Body" as laid down in the EU-Directive was created after the time limit set in Article 13-Agreements had expired. The structure of the European Committee became clear.

Topics for "communication and consultation" at the "European Committee" meetings are: the structure of the Bosch-Group and "substantial" changes in that structure; the economic and financial situation; developments in the business, production and sales situation; the employment situation; the introduction of new methods of work and manufacturing processes and "other important circumstances which will affect the interests of employees in at least two EU Member States".

The EWC is comprised of one basic seat per country in which Bosch is present plus additional seats according to a pre-determined formula. Delegates hold their office for a period of 4 years. It is possible to appoint a new delegate within the four-year term if a member no longer fulfils the delegation requirements.

The European Committee is limited to 30 members. Changes in the number of employees during the term of office do not necessitate changes in the distribution of seats except where they are due to the acquisition or sale of an enterprise.

The agreement stipulates that the European Committee Bosch should meet once a year. A maximum of 2 days is allowed for this meeting and a preliminary meeting of employee representatives is permitted the day before. The meetings normally take place in the company's head office in Stuttgart.

In addition to the European Committee, a "Geschäftsführender Ausschuß" (GA) (Executive Committee) is appointed which is made up of the chairman of the European Committee together with 2 other European Committee members. It is the task of the Executive Committee to act as a reporting body – similar to the presiding committee in other EWCs – when urgent or exceptional circumstances arise between meetings of the European Committee and management cannot postpone its decision-taking until the next regular EWC meeting. A representative of the manufacturing plant affected, even though he may not be a member of the Executive Committee, may participate at this meeting.

Apart from "centralized" reporting in the European Committee, "decentralized" reporting is to be carried out in the individual organizations. Where central employee representative bodies (Combined or Group Works Councils) exist, these should be the organ used to report. Where no such negotiating body exists, the agreement offers the opportunity of holding a one-day central conference to which representatives from all the manufacturing plants are invited for the purposes of informing employees.

Further provisos to be found in the agreement include: the furnishing of an office for the EWC, the provision of adequate communication techniques, the invitation of experts to meetings (expenses for only one such expert will be paid), vocational and language training for members of the European Committee.

The agreement was signed for an unlimited period of time. Both parties are able to terminate the agreement after a six-month period of notice to the end of the year but not before the agreement has been in existence for at least 5 years.

Soon after the European Union EWC-Directive took effect in September 1994, Siemens began negotiations. This came as somewhat of a surprise as the Siemens management had previously spoken out publicly against the necessity of establishing a European employee representation body.

The results of the negotiations were – in a positive sense – unexpected. In October 1995, negotiations came to an end and a "Siemens European Committee" (SEC) was established.

Siemens counts as one of the biggest "multi"-groups but few people are aware of the fact that Siemens is no longer the unified "Electrical Company" it was when it was first founded. Sixteen areas of business activity and a variety of products make up the "Siemens-Group". The individual business areas are managed as autonomous profit centres and each has its own board of directors.

World-wide, Siemens has a workforce of over 400,000 of which approximately 292,000 employees work in Europe. Around two-thirds of the European workforce is situated in Germany.

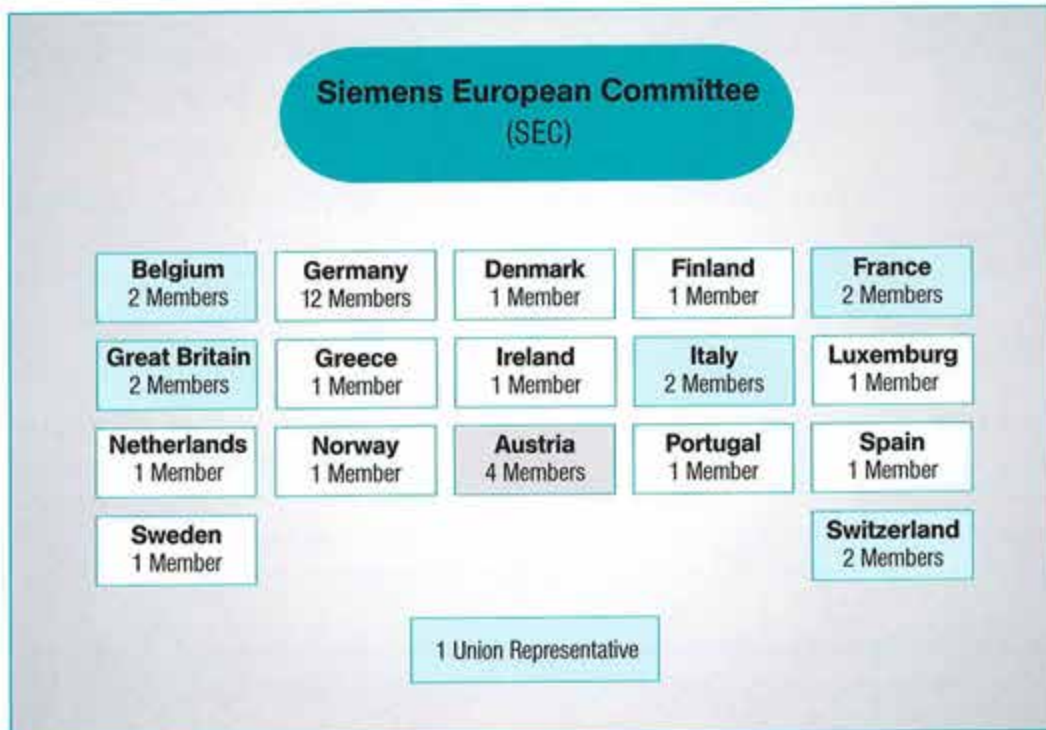
Although considerable changes have taken place in the regional distribution of workforces over the past few years, the highest proportion of the Siemens workforce world-wide and in Europe is employed in Germany as is shown in the following diagram:

Employees: Increase in America Asia and Europe	
Employees worldwide	416.000
Germany:	194.000
Europe:	98.000
America:	82.000
Asia-Pacific:	38.000
Africa, Near and Middle East, CIS	4.000
Additional:	
Working students	5.000
Employees in training/Apprentices	12.220

Because of the strict division of the Siemens-Group into 16 business activity areas, the overwhelming majority of the workforce in Germany and the fact that Siemens has manufacturing plants situated in all EU Member States, in Norway (a so-called EEA -European Economic Area - country) and in Switzerland, the negotiating commission was faced with a daunting number of problems. A satisfactory solution was reached by applying the following two methods:

Two separate formulae were used to determine the distribution of seats at the "Siemens European Committee" – a ratio of 1 delegate to 20,000 employees in Germany and of 1 delegate to every 5,000 employees in other countries. If voting is necessary, then it is based on a weighting principle.

The ratio of delegates results in the following distribution of seats:



In the preamble to the agreement, the basis for a "Siemens European Committee" is laid down as follows: "Globalization of business activities and a unified European market have caused changes in employees' attitudes and in company structure. In this process of integration, economical and social aspects combine to form the basis for a future-orientated company. It is important that group management, employees and their representatives work together fairly and harmoniously, report to each other punctually whenever necessary and are given the opportunity to introduce their own ideas into the dialogue. An exchange of information and opinions across borders encourages mutual understanding and a sense of belonging to a leading European company as well as a willingness to co-operate".

Siemens also aims at both a centralized and a decentralized system of reporting. The "Siemens European Committee" (SEC) was created to enable a flow of information on a European (centralized) level while representatives from other countries were added to existing structures to ensure decentralized reporting.

The topics which are reported on centrally in the SEC concern the structure of the group or changes in the group (for example mergers, separation, factory closure, relocation of production etc.), the economic and financial situation, the status and the development of production, sales and employment, investments, fundamental organizational changes and the introduction of new methods of work or manufacturing processes.

The SEC elects a chairman and a vice-chairman. The chairman can be voted out of office during his term only with a two thirds majority vote.

The chairman, the vice-chairman and two other members of the SEC also make up an Executive Committee. It is the duty of the Executive Committee not only to organize and prepare the agenda of SEC meetings but also to deal at the request of the SEC with matters which require discussion with management. In addition, the Executive Committee has the power to handle any cross-border problems of the nature laid down in Figure 2 of the SEC agreement which may occur between meetings.

Before the SEC meeting, an internal preparatory meeting takes place at which the Executive Committee reports on its activities. In urgent cases and with the consent of the Executive Committee, SEC members can be accompanied to the meeting by one expert (per country). One external trade union specialist may also take part in the SEC meetings for consultation purposes.

Because Siemens plants are situated in so many (Western) European countries, 36 delegates take part in the SEC sessions. Theoretically, 13 (thirteen) languages are spoken in this negotiating body. In fact the number of languages to be translated is actually lower as most of the delegates speak either German or English. Siemens itself encourages the members of the SEC to learn one of the main languages by offering them adequate language training.

The majority of countries is represented by only one or two delegates at the SEC. Because very varying business sections are discussed not all delegates are in a position to comprehend the subject matter all of the time.

For this reason, Item 11 of the regulatory procedures allows for European business section discussions to take place "in co-ordination with the business section itself and the central human resources department". Employee representatives from all plants in this section of industry in each country are invited to take part in the section discussions. It is not necessary for these representatives to belong to the SEC. No frequency was agreed for these discussions as is the case with the SEC meetings. At present, approximately 5 – 6 European discussions for different business section are held a year in addition to the SEC meeting and the meetings of the Executive Committee.

In addition, Item 7 of the agreement stipulates that it is the duty of management to ensure "that employees or their representatives must be informed and consulted on matters which were negotiated in the SEC in a form suitable for the country in which they work. For this purpose, managers of companies in each country are provided with the same documents as

members of the SEC". The regulations of the SEC Executive Committee stresses that "SEC members are responsible for making sure that company managers do actually fulfil their duties as set down in Item 7 of the SEC agreement" (Item 12-Executive Committee).

This agreement is probably the most liberal agreement to be negotiated and signed in the realization of the idea of a European Works Council. This applies to the structure, the number of countries represented, the frequency of the meetings on both levels (SEC and European business section discussions) and to the people taking part.

The complicated structure of the group and its 16 business sections makes a comprehensive and multistage solution necessary to ensure a flow of information which corresponds to the EU-Directive for European Works Councils.

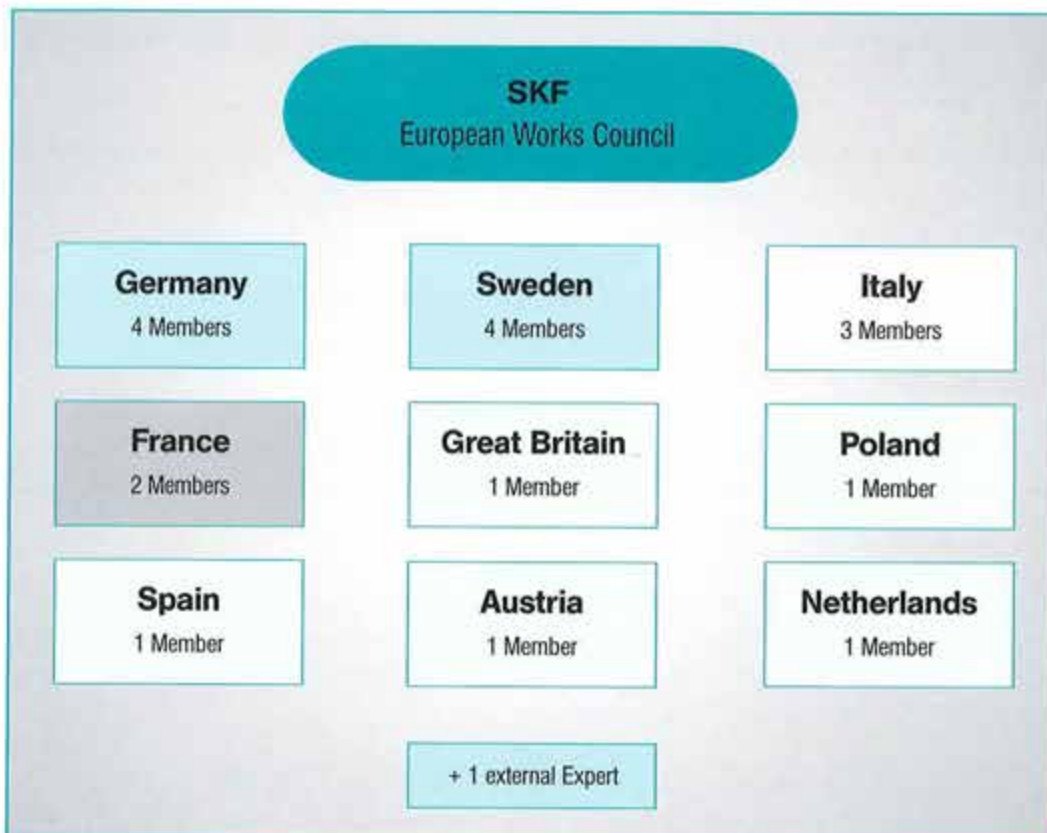
An agreement in this form and of this intensity was totally unexpected after the original extremely negative approach of Siemens managers to the subject of the EU-Directive and the establishment of a European employee representation body.

The Siemens-subsiidiary Osram and the joint venture Siemens-Matsushita are also integrated into the SEC. Only the joint venture Bosch-Siemens-Household-Equipment (BSHG) has its own European Works Council.

The third example for a European Works Council outside the automobile industry is the Swedish manufacturer of ball bearings, SKF. It is surprising in the case of SKF that the company started negotiations and signed (cf. next chapter) for a World Works Council before beginning negotiations for a European Works Council.

Eighteen months after the agreement for a World Works Council SKF with the International Metalworkers' Federation (IMF) the contract for the establishment of a European Works Council SKF was signed in September 1996.

The EWC SKF includes delegates from EU Member States, EEA-countries and countries in Central and Eastern Europe associated with the EU in which SKF manufacturing plants are situated. At present there are 18 delegates from the following countries:



The agreement for the establishment of a "European Works Council SKF" is one of the few agreements which includes Central, Eastern and Western European countries associated with the EU.

The distribution of seats is carried out on the basis of one seat for each country in which manufacturing plants are situated. Further seats are calculated according to a formula, dependent on the size of the workforce at each plant.

The catalogue of topics to be reported on includes the structure of the company; its economic and financial situation; the business, production and sales situation; employment; investment; changes in organization, relocation of production; new methods of work and production; mergers etc.

According to the agreement, the EWC must be informed and consulted "thoroughly and with sufficient time as to allow it to present its point of view in the process of decision-making in the company. If group management and the SKF EWC do not agree on a point, then the decision will be postponed for a month during which time both parties review the possibility of arriving at a mutual point of view. A specialist, employee representatives or management representatives can be invited to negotiations in order to facilitate this process.

If a mutual stand is not reached, management exercises its right to make the final decision. This part of the agreement was disputed vehemently at the final two meetings. Employee representatives charged management with taking decisions without consulting the EWC or granting members the opportunity to express their point of view.

A presiding committee comprising the chairman and vice-chairman of the EWC prepare the meetings and act as management's partner to be informed and consulted between meetings.

The EWC usually meets once a year, whereby this meeting may be held together with the World Council meeting if it is held in Europe. The meeting lasts 3 days. As it is always held at one of the manufacturing plants, one day is reserved for looking round the plant and talking to local employee representatives and local management.

The EWC may establish internal committees to deal with special topics.

In the EWC SKF at least 1 trade union representative is appointed as a so-called external specialist and takes part regularly in the meetings. The presiding committee is limited to 1 trade union official only.

The agreement stipulates that the members of the SKF-EWC have access to all companies in the SKF Group. External specialists are expressly included in the point.

Expenses are met for the most part in the same way as in other companies: travelling expenses incurred by national members are borne by the individual companies while central costs (such as interpretation, the cost of holding the meeting etc.) are settled over a fund managed by the Swedish trade union and supplied by support grants from group management.

In Paragraph 13 of the agreement it is laid down that differences of opinion should be settled by negotiation between the two parties. If this proves impossible, then a court settlement according to Swedish jurisdiction should be brought about.

The agreement was signed for 3 years after 1st September 1996. The period of validity is extended for a further 12 months if it is not terminated beforehand. The period of notice for termination of the agreement is 6 months.

4. World Works Councils

Global bodies of employee representatives and their trade unions have been in existence for a number of decades. "World Group Committees" (WGC) were set up by international branches of trade union organizations as the "trade union answer" to the increasing internationalization of economy and enterprise. These committees consisted of full-time and in-plant trade union officials from those countries in which multinational companies were situated who took part in an exchange of information and discussion on common trade union strategies.

These *World Group Committees*, which were usually established by the "International Trade Secretariats" (ITS) i.e. international trade union associations for a particular branch of industry (for example the International Metalworkers' Federation - IMF), were primarily only made up of representatives from the different plants within one multinational group organized by trade unions. Their capacity to influence depended on the extent of unionisation of the plants of this company. The committees were often made up solely of representatives of individual trade unions belonging to the ITS. Added to that, group management often boycotted the committee, turning down invitations to attend its presentations and discussions and making only rare appearances at its meetings.

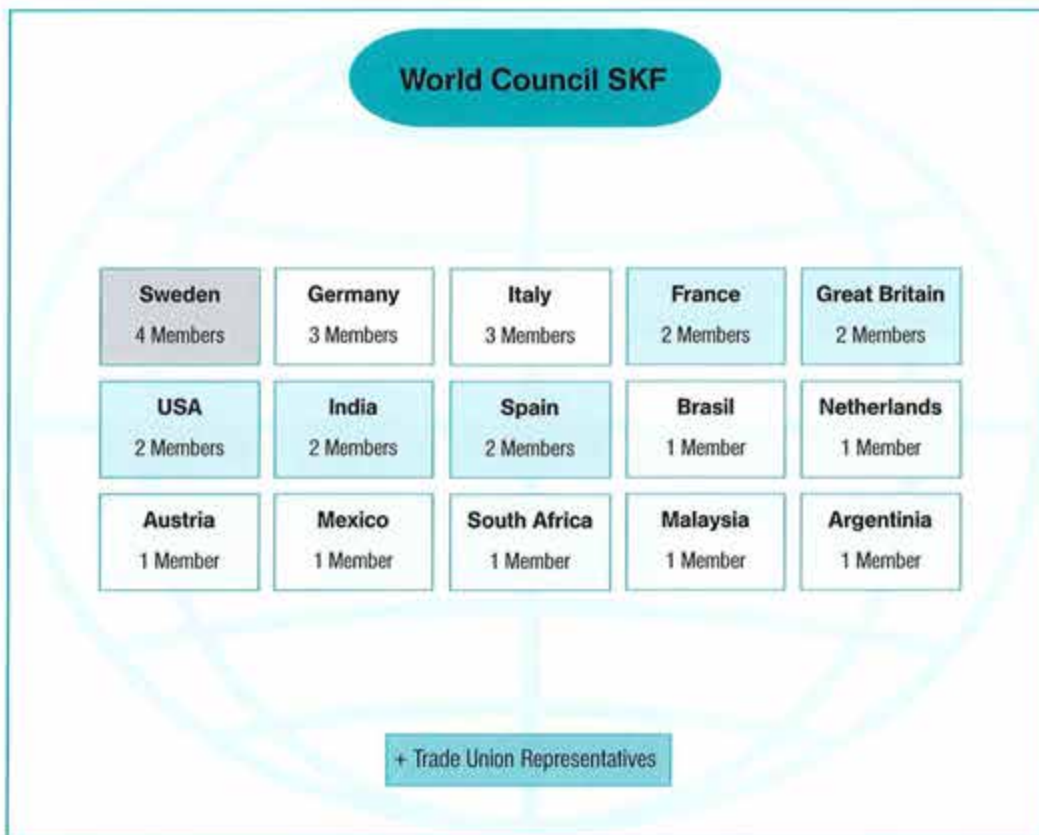
Trade union strategy has changed over the past few years and influenced by the creation of European company-related bodies of employee representatives after the adoption of the EU-Directive for the establishment of European Works Councils, the demand for negotiating bodies on an international scale became more and more audible. The increasing number of mergers effected across borders and accelerating globalization in many companies strengthen the arguments for this demand.

In contrast to World Group Committees, *World Works Councils* are established on the basis of an agreement between group management and employee representatives and their trade unions. Group management agrees to fulfil at least the requirement of informing its employees if not the requirement of consultation too. Operational expenses incurred by employee representatives are borne by the company. Access for trade union representatives must be guaranteed.

At present, there are two such World Works Councils in the metal industry. They are described on the following pages.

The first company to enter into negotiations for an international body of employee representatives with the International Metalworkers' Federation (IMF) and its trade union members at SKF was the Swedish group SKF. In March 1995 an agreement was signed establishing a "World Council of Employees at SKF"

This body is made up of full-time as well as in-plant trade union representatives. The distribution of seats for the in-plant employee representatives is laid down in the agreement as shown in the following diagram:



WorldWorks Council (official title: SKF World Union Committee) meets once a year. According to the agreement, the committee is informed on all "industrial, economical and financial activities of the SKF parent company and its subsidiaries".

Committee members are appointed by the trade unions. Full-time trade union officials play a consultative role in the body.

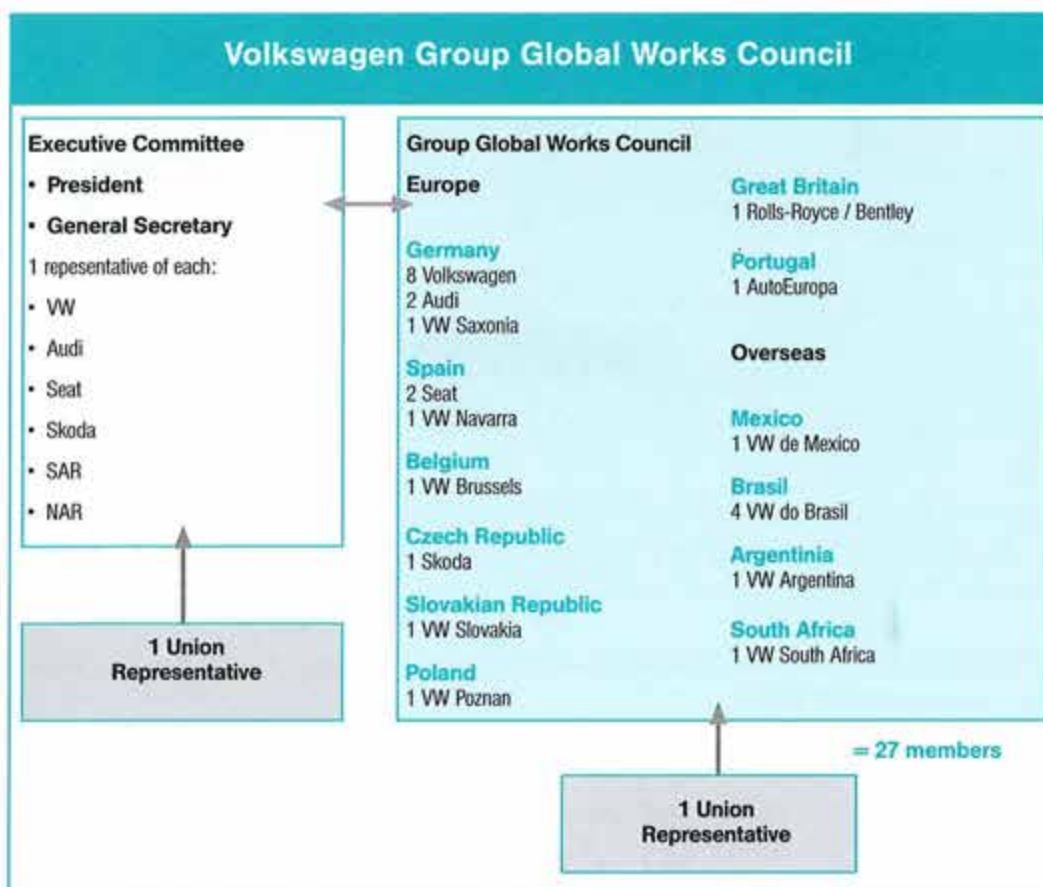
Since the EWC was established, meetings of the two councils are held jointly. This means that with a few exceptions, the "European delegates" are mostly identical at both bodies. France is one of the exceptions. The IMF member trade unions FGMM-CFDT and FOM are represented at the World Council but apart from the delegate from FOM there is also a delegate from the metalworkers' trade union within CGT (which is not a member of the IMF) present at the EWC meetings.

Meetings are prepared by a "Working Committee" composed of representatives from Swedish trade unions, the Industrial Trade Union for Metalworkers and the IMF. The Working Committee is made up of the same employee representatives who also make up the presiding committee of the EWC SKF.

The cost of logistics as well as expenses incurred by employee representatives are met by the company.

Since May 1998, a second World Works Council has been in existence. Volkswagen was the first company in the automobile industry to establish a body of this kind - a consistent and logical step in the tradition of the international-scale work being carried out by employee representatives in the VW-group and supported vigorously by IG Metall, the German Metalworkers' Union. A few years before the World Works Council was actually established, meetings known as "World Employee Conferences" had already been taking place at VW. During the period of time between the end of the seventies to the beginning of the nineties, 2 world conferences took place in collaboration with the IMF. The written agreement for the Volkswagen Group Global Works Council (VWGGWC) was signed at a meeting in Barcelona in May 1999. The content of the agreement is more or less identical to that of the agreement for the establishment of the European Works Council.

As stipulated in the agreement, the Volkswagen Group Global Works Council is made up of the following delegates:



The aim of the agreement is to maintain a global dialogue within the Volkswagen-Group.

Apart from the general economical, financial and social situation and its development, the catalogue of topics lists the following areas of information: the structure of local manufacturing plants, job and local plant security, the structure of productivity and costs, the development of supply structures and market responsibility within the group, the development of the company's social benefits, the important effects of political developments and decisions on the VW-Group, the development of political and economical outline conditions on international trade.

The size of the delegation is vastly different to that of the European VW Group Works Council, especially the Executive Committee. This is necessary to ensure that both bodies are able to work within a flexible framework. With 38 manufacturing plants world-wide, it was no longer possible to appoint one representative for each individual manufacturing plant.

Representation in the Executive Committee is based on car brands or regions. This means that the representative for the car make VW represents not only German plants at the presiding committee but also the manufacturing plants situated in Poznan (Poland), Bratislava (Slovakia), Brussels (Belgium) and Pamplona (Spain) as well as the Rolls Royce/Bentley and VW manufacturing plant in South Africa.

The chairman elected by the VWGGWC automatically becomes chairman of the Executive Committee. The body also elects a general secretary who acts as deputy to the chairman.

The group companies included in the agreement are obligated to provide council members with an adequate infrastructure. Similarly, vocational training must be made available to members.

In order to guarantee a flow of information in both directions, the agreement stipulates further that co-ordinating bodies are to be established on a regional scale from which one delegate must be appointed by the Executive Committee.

Because of the large number of companies represented by one single delegate in the Executive Committee, the establishment of co-ordinating bodies is of great importance in ensuring that information is passed on.

A regional body of this kind was established in Latin America at the beginning of 1999. In an agreement between the Brazilian and Argentine trade unions it was decided to set up a "Group Works Council" which consisted of representatives from Brazilian and Argentine manufacturing plants. In the future, it will meet with VW company management in these two countries. Delegates for the Group Global Works Council and its Executive Committee will be appointed from this body.

The right to information and consultation in the VW Group Global Works Council is regulated in the same way as in the VW Euro GWC: the Group Global Works Council and its Executive Committee must be informed and consulted punctually on any planned transnational relocations which might have a detrimental effect on the interests of employees at the affected manufacturing plants.

The Volkswagen Group Global Works Council meets at least once a year. If the venue for the conference happens to be in Europe, then this meeting will be combined with the meeting of the European Volkswagen Group Works Council. The aim of Volkswagen in creating this body was to create "the basis for a path of globalization in social responsibility towards employees and manufacturing plants of the Volkswagen-Group based on the principle of economic and technological competitiveness and ecological efficiency".

5. Conclusion

This short review of selected European Works Councils, mainly in the automobile industry, compares the different strategies and aims in the establishment of European structures of employee representation.

- Most companies signed their agreements for the establishment of EWCs during the period of time between September 1994 and September 1996 i.e. they are so-called Article 13-Agreements. Only Volkswagen and Renault signed an agreement before the EWC-Directive for the EU was adopted. Two companies – Nissan and Scania – set up their EWCs after September 1996.

- In a number of companies, for example BMW or Ford, the structure and composition of the EWC were orientated to the countries in which manufacturing plants are situated. For other organizations belonging to the group which are also situated in EU countries (marketing / sales / banking / leasing / service etc.), the agreement often stipulates a decentralized form of information via local management. Other companies, for example GM/Opel, include these non-productive subsidiaries directly in the EWC meaning that most EU countries and sometimes EEA countries are represented in the EWC and the number of delegates is close to 30.

- Volkswagen is the only company to create a multi-layered structure in which separate committees for the sections "Finance and Marketing" and AUDI were set up. These committees are linked to the European Volkswagen Group Works Council in which otherwise only manufacturing subsidiaries and plants are represented.

- For companies which own several business sections, in some cases completely independent of each other, different solutions were reached. While DaimlerChrysler combines these business sections in one European Works Council, GM Europe set up individual EWCs for each business section. A unifying co-ordinating body does not exist here. MAN also adopted this structure. Here, in addition to the EWC at the top of the group, "forums" were created for two business sections: commercial vehicles and diesel. This two-layer structure was also chosen by Siemens in the form of its SEC and European Section Discussions for 16 business sections which do not however take place on a regular basis.

- The size of European Works Councils varies greatly. Some agreements call for 30 delegates - the maximum number of delegates laid down in the EWC-Directive for the EU. Seats are distributed among participating countries according to a pre-defined formula. If new firms are added or drastic changes are made to numbers in the workforce in individual countries, then a redistribution of seats is necessary. Some companies have a EWC comprising more than 30 delegates. Peugeot leads in this aspect with 42 EWC members due to the fact that Peugeot's EWC is based on the French Group Works Council which already consists of 30 members.

- The distribution of seats often corresponds to the distribution of the workforce in the different countries. This is not so with DaimlerChrysler and Siemens. In order to avoid an excess of representatives from Germany, a number of different formulae were used for regulating the election of delegates at Siemens.

- In a number of companies (e.g. Volvo, BMW and Nissan) the council operates under two different names. The body of employee representatives among themselves is known as the "European Works Council" whereas the body in which management also reports operates under a different name, for example the Euro-Forum at BMW.

- The variety of languages poses a considerable problem for most of the EWCs, especially in meetings where interpretation is necessary. The higher the number of countries taking part, the higher the cost of and the problems associated with interpretation (e.g. mistakes in translation). In the worst case, 13 different languages were spoken at the Siemens meetings. Even extensive language training will not solve the problem completely. At the most it will only provide a medium term solution. Only one company (Volvo) insists that meetings and written documents should be in one language only.

- Most of the agreements are signed for a long "first period of duration" but contain an option to terminate if desired. Only Toyota's agreement is, after a 6 year period of duration and any necessary adjustments, extended automatically for "an unlimited period of time."

- Most agreements provide for the invitation of an external specialist to attend EWC meetings. The number of specialists is often limited to one, at least in the question of cost settlement. There is no reference made to a regulation for the inclusion of specialists in the agreements of Honda, Nissan, Renault or Peugeot. The Toyota agreement, on the other hand, stipulates that if employee representatives require the presence of a specialist at meetings, then the EMF is responsible for appointing one. On this subject, BMW has taken the biggest step. In addition to one expert (a trade union representative), the agreement stipulates that 2 full-time officials from English trade unions must be present at meetings.

- The larger the company, the larger the number of countries represented in the EWC and as a result of that the smaller the number of delegates from each country and the more problematic the flow of information via the different segments of employee representation and ultimately to the workforce itself. Only the VW agreement contains a regulation for creating national co-ordinating bodies whose duty it is to process information before and after the EWC meetings.

- The national industrial relations culture of a particular country is often reflected in EWC agreements. This is particularly evident in France where – according to the national regulation for Works Councils – the manager of a company is automatically chairman of the group's Euro-Works Council.

- An interesting sentence is to be found in the Toyota agreement. Here it is laid down that the workforces of all Toyota companies are informed on the basis of an "outcome report" which is drawn up by the "Administrative Committee", comprised of employee and management representatives together and distributed at the latest 2 working days after the meeting.

- Some agreements are not limited exclusively to EU Member States. The inclusion of EFTA countries which are members of the EU, in particular Norway and Switzerland, can frequently be found. It is more unusual, however, to find countries from Central and Eastern Europe included in agreements, although a number of the groups described in this review do have production and in some cases considerable workforces in these countries and the plants situated there are often used as "threatening potential". VW and SKF are exceptions. It is surprising that Honda should have included Central and Eastern European locations in its EWC agreement as most Japanese groups stuck rigidly to regulations laid down in the EWC-Directive during negotiations on Euro-Works Councils.

Obviously a short review of selected European Works Councils cannot possibly be complete and comprehensive. Likewise it cannot include the contents of each individual agreement between group management and trade unions. It does show, however, that the contents of individual agreements differ vastly in their concept and structure and that a much more detailed analysis covering the development of existing European Works Councils from a practical point of view is now required.

The contents of the agreements are often on the lowest level or based on minimum standards. In practice, co-operation and collaboration have led to structures being refined. An effort should be made to encourage the development of these structures. For example, an improved method of transmitting information is one of the structures which should be promoted. Information is made available on a regular basis in each company. It would be possible to develop a system of processing this information and transmitting it directly to the EWC or World Council. This would mean that more time could be devoted to the discussion of important topics at meetings (e.g. company strategy, investment strategy etc.) instead of encumbering members with this information. However, the introduction of such a system will only be possible in companies where group management recognizes the value of the EWC and whose policy it is to include rather than exclude employee representatives. It will prove difficult where group management sees the EWC as "an unloved child forced upon them by the EU-Directive". Such managers often inform their shareholders according to a shareholder-value-concept more thoroughly than their employee representatives who are often unaware of an event until an official statement is made to the press.

Hand in hand with the development of collaboration on a practical level, there will most certainly need to be amendments made to some of the points in the EU-Directive on a legal level. In the future, the regulation will become a "must" and not just a "may". 12) The fact that a mere 40 % of companies which fulfil the requirements for establishing a EWC have actually set one up should be food for thought for politicians.

For trade unions – apart from the improvement of European Works Councils – one priority must be the creation of World Works Councils which represent the logical response of employee representatives to their company's advancing globalization. It is imperative that trade unions and in-plant representatives take a more active part in negotiations and discussions with group management. The fact that group managers were only prepared to enter into negotiations on establishing a EWC when the EU-Directive was adopted politically shows that this step will not be easy on a voluntary basis. Experience with European Works Councils and the first models for World Works Councils may, however, help managers to overcome inhibitions, especially if politics and publicity offer solid support.

7. Annotation

1. Information on the contents of the agreements is taken directly from those texts which were made available. In cases where a copy of the contract in its original language could not be consulted, a CD-ROM issued by the "Europäisches Gewerkschaftsinstitut (EGI) (European Trade Union Institute - ETUI) was used on which the texts of the agreements are recorded in English:
Europäisches Gewerkschaftsinstitut (EGI)/Peter Kerckhofs: EWC Agreements. Full text database. Brussels 1999.
2. Council Directive 94/95/EC of September 1994 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. Official Journal of the European Communities, Number L254/64 of 30th September 1994. Printed: Board of Directors of IG Metall, Project European Works Councils. Published in: IG Metall: Manual on European Works Councils, Frankfurt, no date, Chapter 6.
3. According to the wording of the Directive, these are companies:
 - with at least 1,000 employees within the Member States of the European Union and
 - with at least 150 employees in each of at least two Member States.
4. Cf.: European Metalworkers' Federation: progress report 1995 – 1998, issued at the EMF Congress on 17th and 18th June 1999 in Copenhagen, Brussels, no date, Page 142.
5. Article-13-agreements are agreements which were signed before 22nd September 1996 and contain rules of procedure for all employees to provide a transnational information and consultation of employees. The regulations of the Directive are not valid for these agreements. The possibility of negotiating and signing such agreements between the date on which the Directive took effect (22nd September 1994) and 22nd September 1996 was used by a number of companies to fit these agreements advantageously to the structures of the company.
6. Cf.: 11 theses on international work with Works Councils and trade unions in the Volkswagen-Group. Issued at the Volkswagen International Employees' Conference 28th – 31st May 1996 in Wolfsburg.
7. A comprehensive description of the structures and activities of the European Volkswagen Group Works Council and the Volkswagen Group Global Works Council and experience with trade union advisory services can be found in: Steiert, Robert: "Euro-, Weltbetriebsräte und deren Betreuung als Prüfsteine internationaler gewerkschaftlicher Politik" (European, World Works Councils and Trade Union Advisory Services as a Touchstone of International Trade Union Policies), Frankfurt 1999.
8. Cf.: Steiert, Robert: Euro-Betriebsrat General Motors: "Mogelpackung für Arbeitnehmervertreter und Kampfansage an Gewerkschaften" (European Works Council General Motors: Deceptive Packing for Employees' Representatives and a Challenge to Trade Unions). In: Informationen über Multinationale Konzerne (Information on multinational companies) published by the Chamber for Workers and Employees Vienna, Number 3 / 1995, Pages 21 – 22.

9. The English text in the agreement is authoritative at General Motors. Here the negotiating body is termed: "General Motors European Employee Forum". As there do not seem to be any authoritative and agreed on translations at GM, this name has been translated differently. While company management in Germany speak of the "GME European Employee Forum", the employee representatives use the term: "European GM Employees' Forum". In the following document, the translation used by the employees' representatives will be used.

10. The composition of the "Honda European Communication and Consultation Group" seems to be treated at Honda as "classified information". It was only possible with difficulty and with the assistance of a Works Council colleague to determine the distribution of the 25 seats over the individual countries. The Honda group management in Great Britain was not prepared on request to make this information available. Only the complete number of delegates was ascertained here.

11. Cf.: Robert Bosch GmbH: "Bosch heute, Informationen 1999" (Bosch Today, Information 1999), Stuttgart, no date, Page 6.

12. Detailed demands and proposals by trade unions to improve the EWC-Directive are already available. Cf.: European Metalworkers' Federation (EMF): Statement on the review of the Directive 94 / 95 / EC of 10th October 1998 and Federation of German Trade Unions (DGB): Revision der Euro-Betriebsratsrichtlinie. Positionen des DGB (Review of the Directive for the establishment of European Works Councils. The position of the DGB) of February 1999.