

Lisa Herzog: Companies should be run by employees, and the EU should encourage such new form of cooperate governance

Background information on existing regulations/policy issues/initiatives

Keywords: employee involvement, employee rights; EU employee involvement; EU worker rights; organizational participation; work organization; work organization in European companies; worker participation; workplace representative institutions

Topic: The European Union should encourage new forms of governance in which companies are run by employees

Overview

- Workers and employee rights within the EU are being safeguarded by a number of directives and regulations. Many of them are concerned with protecting workers rights and guaranteeing employee involvement once national companies register as “European Companies” or SEs (societas Europaea), respectively register as public companies in accordance with EU corporate law¹
- According to the European Foundation for the Improvement of Living and Working Conditions (Eurofound) “the European debate on employee participation is currently linked to the European Commission’s concept of, and initiatives on, ‘workplace innovation’. [...] Among other conditions, this means bringing the employee’s voice to both strategic and operational decisions, allowing employee involvement and participation in decision-making at different organizational levels.”
 - At the same time, however, there has been widespread academic and labor union criticism holding that labor conditions have been deteriorating and becoming more precarious over the past decade and employee involvement has in fact not improved as much as it should have²³

In detail

- Several directives and regulations have been passed in the past concerning the issues of employee involvement and employee representation within EU-based companies:
 - Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees
Content: This directive sets special provisions, notably in the field of employee involvement, aimed at ensuring that the establishment of an SE does not entail the disappearance or reduction of practices of employee involvement existing within the

¹ <http://ec.europa.eu/social/main.jsp?catId=707>

² http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1551en.pdf

³ <https://democratisingtheeconomy.com/2016/07/15/participation-and-involvement-in-the-workplace-contemporary-trends-in-europe/>

companies participating in the establishment of an SE (European Company). It is designed to ensure that employees have a right of involvement in issues and decisions affecting the life of their SE.

Document: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0086>

Commission report: [http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0591:EN:NOT)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0591:EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0591:EN:NOT)

- Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE)
Content: Adds to the provisions set forth in Council Directive 2001/86/EC (see above)
Document: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001R2157>
- Table summarizing the implementation measures of Council Directive 2001/86/EC by member state: <http://ec.europa.eu/social/BlobServlet?docId=2946&langId=en>
- Additional Directives concerned with employee involvement and workers' rights⁴:
 - Council Directive 75/129/EEC⁵
 - Council Directives 92/56/EEC and 98/59/EC⁶
 - Council Directive 2001/23/EC⁷ of 12 March 2001 on the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses
 - Directive 2002/14/EC⁸ of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community

Topic: NGOs/organizations concerned with employee involvement

Eurofound (European Foundation for the Improvement of Living and Working Conditions)

<https://www.eurofound.europa.eu/topic/participation-at-work>

European Company Network

<http://www.europeancompanynetwork.com>

The European Works Council Database

<http://www.ewcdb.eu>

Workers' Participation Europe Network

<https://www.worker-participation.eu>

Further reading

⁴ http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU_2.3.6.html

⁵ <http://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX:31975L0129>

⁶ <http://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX:31975L0129>

⁷ <https://eur-lex.europa.eu/legal-content/DE/ALL/?uri=CELEX:32001L0023>

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32002L0014>

- <http://ec.europa.eu/social/main.jsp?catId=707>
https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1330en.pdf
- <https://www.eurofound.europa.eu/publications/report/2015/working-conditions-industrial-relations/third-european-company-survey-direct-and-indirect-employee-participation>
- <https://www.eurofound.europa.eu/observatories/eurwork/articles/working-conditions-industrial-relations/employee-involvement-and-participation-at-work-recent-research-and-policy-developments-revisited>
- http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU_2.3.6.html
- <http://www.wilke-maack.de/download/2013/05/dEF1078EN.pdf>