



Strengthening social dialogue: second-stage consultation of social partners on European Works Councils Directive

Brussels, 26 July 2023

Today, the Commission launches the second-stage consultation of European social partners on a possible revision of the [European Works Councils Directive](#). It follows the [first-stage one](#) launched in April, to which the Commission received replies from 11 EU-wide social partners. Having considered these replies, the Commission concluded that there is scope for further EU action on improving the European Works Councils Directive. The Commission is now consulting social partners on the possible content of this action.

The consultation of social partners follows [a call by the European Parliament to revise the Directive](#). In line with President **von der Leyen's Political Guidelines** on resolutions adopted by the European Parliament under Article 225 of the Treaty on the Functioning of the European Union (TFEU), the Commission is committed to follow up on them with a legislative proposal, in full respect of proportionality, subsidiarity and better law-making.

European Works Councils (EWCs) promote a shared understanding of the transnational challenges facing large multinational companies and the involvement of employees in the decision-making process. The current [Directive](#) provides a procedure for setting up information and consultation bodies between management and workers' representatives in companies with more than 1,000 employees operating in at least two Member States.

The Commission's [2018 evaluation of the Directive](#) found that European Works Councils remain relevant for ensuring and organising transnational social dialogue in multinational companies, while providing Member States with flexibility to adapt it to their national systems. However, the evaluation also found shortcomings, for instance regarding the consultation process of EWCs and the means for representatives to enforce their rights.

The European Parliament called on the Commission to revise the Directive to strengthen EWCs and their capacities to operate, and increase their number, while taking into account the different industrial relations systems in the Member States.

The second-stage consultation document sets out possible objectives and avenues for EU action to make the information and consultation of employees at transnational level more effective. Concretely, an update of the Directive could ensure that:

- There are **no unjustified differences in workers' information and consultation rights at transnational level**. This would mean having one set of rules for all EWCs, to overcome the existing exemptions of certain companies from the common minimum requirements.
- The **process to set up the European Works Councils** becomes **more efficient and effective**. This would for example further streamline the process following the request by employees to set up a European Works Council, and remove risks of unnecessary delays or of lack of resources for employee representatives.
- **All Councils can rely on an effective process for their information and consultation, as well as appropriate resources**, for example by providing more certainty to the concept of transnational matters.
- **Member States enforce the Directive more effectively**, for instance through effective, dissuasive and proportionate sanctions, as well as access to justice for employee representatives and European Works Councils.

The social partners are consulted on their views regarding the possible avenues for EU action. The second-stage consultation of social partners will be open for ten weeks, until 4 October 2023.

Next steps

Following this second-stage consultation, social partners can enter into negotiations to conclude an agreement under Article 155 of the Treaty on the Functioning of the EU (TFEU). Depending on the

outcome of the social partners' consultation, the Commission could put forward a legislative proposal.

Background

Principle 8 of the [European Pillar of Social Rights](#) highlights the importance of social dialogue and the involvement of workers. European Works Councils are a key tool to involve workers in transnational decisions of multinational companies that affect them. According to the current [Directive](#) the Councils are set up at the request of employees and may issue non-binding opinions to management on relevant transnational matters.

The Directive requires Member States to put in place adequate administrative and judicial procedures for the establishment and operation of European Works Councils. About 20 new EWCs are created each year, and around 1,000 companies have active EWCs, representing less than a third of the over 3,600 eligible companies.

The Commission is seeking social partners' views in line with Article 154(2) TFEU. It provides for a two-stage consultation of [European social partners](#) for proposals in the social policy field based on Article 153 TFEU. Social partners may decide to enter into negotiations among themselves following the first or the second stage of the consultation.

For More Information

[Consultation document: second-stage consultation of social partners](#)

[Analytical document following the first-stage consultation](#)

[Commission's 2018 evaluation of the Directive](#)

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Quotes:

Social dialogue is a key part of making the green and digital transitions a success, and for the EU's social laws and systems to meet future challenges. When it comes to larger companies operating in more than one EU country, European Work Councils bring a clear European dimension to dealing with change. Following the European Parliament's legislative resolution and our own consultations with social partners, the European Commission sees scope for further improving how the EWCs operate. In this second-stage consultation, we ask workers and employers for their views on potential areas for action. We will work together towards a well-balanced proposal that protects workers' rights, respects different industrial relations systems and preserves companies' ability for agile and effective decision-making.

Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People - 26/07/2023

European Works Councils have an important role to play in facilitating the exchange of information and constructive discussions within large multinational companies. With this second-phase consultation, we want to hear social partners' views on how to make these avenues for exchange even more effective, ensuring the European Works Council Directive provides a solid basis for quality consultation and information processes.

Nicolas Schmit, Commissioner for Jobs and Social Rights - 26/07/2023

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