











Procedure file

Basic information		
INI - Own-initiative procedure	2021/2005(INI)	Procedure completed
Democracy at work: A European framework for employees' participation rights and the revision of the European Works Council Directive		
Subject		
3.45.01 Company law		
4.15.10 Worker information, participation, trade unions, works councils		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Employment and Social Affairs	 BISCHOFF Gabriele	25/02/2021
European Commission	Commission DG Employment, Social Affairs and Inclusion	Shadow rapporteur	
		 MANDL Lukas	
		 RAFAELA Samira	
		 REINTKE Terry	
		 REIL Guido	
		 RAFALSKA Elzbieta	
		 PEREIRA Sandra	
	Commissioner	SCHMIT Nicolas	

Key events			
11/02/2021	Committee referral announced in Parliament		
23/11/2021	Vote in committee		
29/11/2021	Committee report tabled for plenary	A9-0331/2021	Summary
14/12/2021	Debate in Parliament		
15/12/2021	Results of vote in Parliament		
16/12/2021	Decision by Parliament	T9-0508/2021	Summary

Technical information	
Procedure reference	2021/2005(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/9/05278

Documentation gateway

Committee draft report	PE689.592	11/06/2021	EP	
Amendments tabled in committee	PE695.093	13/07/2021	EP	
Committee report tabled for plenary, single reading	A9-0331/2021	29/11/2021	EP	Summary
Text adopted by Parliament, single reading	T9-0508/2021	16/12/2021	EP	Summary
Commission response to text adopted in plenary	SP(2022)89	28/04/2022	EC	

Democracy at work: A European framework for employees' participation rights and the revision of the European Works Council Directive

The Committee on Employment and Social Affairs adopted the own-initiative report by Gabriele BISCHOFF (S&D, DE) on democracy at work: a European framework for employees participation rights and the revision of the European Works Council Directive.

Democracy in general and democracy at work in particular are core values of the European Union and provide a very solid foundation on which to strengthen Europe's resilience and social contract. Social partnership and collective bargaining between representatives of employees and employers at national level and social dialogue at EU level are key elements of the European Social Model, whose shared legacy of social dialogue, workers participation, collective bargaining, employee representation on boards, health and safety representation, and tripartism are the building blocks of a diverse and economically, socially and environmentally sustainable future.

The regulatory landscape of the Union in the field of employment law and company law remains excessively fragmented, which could result in a lack of legal certainty on applicable rules and rights for both employers and employees. It is therefore to reinforce the Union's toolkit in these fields by introducing an ambitious framework directive that streamlines and simplifies the applicable legislation, and reinforces workers rights, notably the right to information, consultation and participation.

Workers participation in companies

Stressing that importance of workers participation at workplaces across the entire Union, Members called on the Commission and the Member States to establish the necessary conditions and requirements to have at least 80 % of corporations covered by sustainable corporate governance agreements by 2030. They called for the establishment of strategies agreed with workers to positively influence environmental, social and economic development through governance practices and market presence, to improve directors accountability as regards integrating sustainability into corporate decision-making, and to promote corporate governance practices that contribute to company sustainability.

The report also stressed that it is essential to adequately define ambitious EU minimum standards for information, consultation and board-level representation and participation of workers in cases where companies restructure across borders.

Moreover, the Commission is called on to:

- make the necessary improvements to the frameworks regulating SEs and European Cooperative Societies and, on the basis of a timely evaluation by the Commission, to the Company Law Package, and to amend them to introduce minimum EU rules governing employee participation and representation on supervisory boards, including on gender equality;
- deliver on its commitment to put forward without further delay a directive on binding environmental and human rights due diligence and responsible business conduct, including workers rights such as the right to organise and collectively bargain, health and safety, social protection and working conditions.

A new framework for information, consultation and board-level representation

Member stressed the need to thoroughly enforce, evaluate, strengthen and consolidate all the relevant EU laws to ensure that informing and consulting employees is an integral part of company decision-making and that it takes place at the relevant level within companies.

Recalling the importance of the European Works Council in this regard, the report stressed that it should be informed and consulted in matters relating, in particular, to the current situation and probable trends as regards employment and investments, and substantial changes concerning organisation, the introduction of new working methods or production processes, transfers of production, mergers, cut-backs, closures of undertakings, establishments or important parts thereof, and collective redundancies. Workers representatives should take part in the development of social plans, with the aim of regulating changes that may affect workers and generate redundancies.

Members noted that divergences persist between EU countries regarding the quality, timing and effectiveness of information and consultation before corporate decisions are made, and that restructuring processes are carried out differently across Europe. To remedy this situation, the right of employees to information and consultation should always be ensured in a timely manner and address the potential quantitative and

Democracy at work: A European framework for employees' participation rights and the revision of the European Works Council Directive

The European Parliament adopted by 476 votes to 115, with 99 abstentions, a resolution on democracy at work: a European framework for workers' participation rights and the revision of the European Works Council Directive.

Parliament recalled that social partnership and collective bargaining between employee and employer representatives at national level and social dialogue at EU level are key elements of the European social model. However, the EU regulatory landscape in the field of labour and company law remains highly fragmented, which could result in a lack of legal certainty on the rules and rights applicable to both employers and employees.

Parliament recalled that social partnership and collective bargaining between representatives of employees and employers at national level and social dialogue at EU level are key elements of the European Social Model. However, the regulatory landscape of the Union in the field of employment law and company law remains excessively fragmented, which could result in a lack of legal certainty on applicable rules and rights for both employers and employees.

Members considered it essential to reinforce the Unions toolkit in these fields by introducing an ambitious framework directive that streamlines and simplifies the applicable legislation, and reinforces workers rights, notably the right to information, consultation and participation.

Worker participation in companies

The resolution highlighted that the digital and ecological transitions are having a huge effect on the world of work and that the most resilient and sustainable companies are those with well-established systems of worker participation in the life of the company. Members are convinced that the voice of workers must be an essential element of EU initiatives and that EU and Member State policies must be continuously improved to ensure lifelong learning, skills development and retraining for all workers.

Parliament called on the Commission and the Member States to establish the conditions and requirements necessary to ensure that at least 80% of corporations in the EU are covered by sustainable corporate governance agreements by 2030, while recognising the particular administrative burden this implies for SMEs. It called for the establishment of strategies agreed with workers to positively influence environmental, social and economic development through governance practices and market presence, to strengthen the role of directors in pursuing the long-term interests of their company, to improve directors accountability towards integrating sustainability into corporate decision-making, and to promote corporate governance practices that contribute to company sustainability.

The resolution also stressed that it is essential to adequately define ambitious EU minimum standards for information, consultation and board-level representation and participation of workers in cases where companies restructure across borders.

Moreover, the Commission is called on to:

- make the necessary improvements to the frameworks regulating SEs and European Cooperative Societies and, on the basis of a timely evaluation by the Commission, to the Company Law Package, and to amend them to introduce minimum EU rules governing employee participation and representation on supervisory boards, including on gender equality;
- deliver on its commitment to put forward without further delay a directive on binding environmental and human rights due diligence and responsible business conduct, including workers rights such as the right to organise and collectively bargain, health and safety, social protection and working conditions.

The Commission and the Member States, in cooperation with the social partners, are invited to commit to achieving 90% collective bargaining coverage by 2030 in national systems that combine statutory and social partner regulation of employment and working conditions.

A new framework for information, consultation and board-level representation

Parliament stressed the need to thoroughly enforce, evaluate, strengthen and consolidate all the relevant EU laws to ensure that informing and consulting employees is an integral part of company decision-making and that it takes place at the relevant level within companies.

Recalling the importance of the European Works Council in this regard, the resolution stressed that it should be informed and consulted in matters relating, in particular, to the current situation and probable trends as regards employment and investments, and substantial changes concerning organisation, the introduction of new working methods or production processes, transfers of production, mergers, cut-backs, closures of undertakings, establishments or important parts thereof, and collective redundancies. Workers representatives should take part in the development of social plans, with the aim of regulating changes that may affect workers and generate redundancies.

Workers' representatives should be involved in the development of social plans, with the aim of regulating changes that may affect workers and lead to redundancies.

Recalling that the European Works Council Directive is part of the EU acquis on participation rights, Parliament called for the strengthening of information and consultation rights to ensure that the opinion of the European Works Council is taken into account in company decisions and that this opinion is given before the consultation at the appropriate level is completed and before decisions are taken by the management bodies.

Lastly, Parliament considers that companies should make progress in ensuring diversity and gender equality, including through equal pay in the workplace. It called on the Council to make progress on the Women on Boards Directive and called for the application of the 40 % quota to both non-executive and executive boards (independently considered), both in private and public owned companies, with national legislation to be adapted progressively.

Transparency				
BISCHOFF Gabriele	Rapporteur	EMPL	05/05/2022	ETUC

BISCHOFF Gabriele	Rapporteur	EMPL	27/04/2022	DGB
BISCHOFF Gabriele	Rapporteur	EMPL	08/10/2020	ETUC
BISCHOFF Gabriele	Rapporteur	EMPL	28/09/2020	DGB