



Worker participation in the European Company (SE) and related developments

A seminar for trade union experts from the new EU member states (Vienna 16-18 June 2005)

In Vienna, the third seminar to be organised in the context of the PRESENS project was held on 16-18 June by the Austrian project partner Arbeiterkammer Österreich. This time trade union officials from all ten new member states were invited to learn about and discuss the European Company (SE) and related developments in this field.

In the introductory session, Norbert Kluge from the Research Department of the European Trade Union Institute (ETUI-REHS) explained why trade unions in Europe should be interested in the question of worker participation at board level. Having influence at the highest company level is not only a means of defending workers' interests and safeguarding existing jobs but can also be a tool to influence the future orientation of a company, thereby creating new and better jobs. Worker participation accordingly accords well with the aims defined in the Lisbon Strategy.

Michael Stollt (Social Development Agency) introduced the topic of worker participation in the SE. As a result of the new legislation, workers will always have the right to establish an SE Works Council with transnational information and consultation rights (these being better than those of a European Works Council). Moreover, in many cases workers can also ask for participation at board level. However, to achieve a good agreement it is crucial that the Special Negotiating Body (representing the workers from all countries involved in the negotiations with the employer) should speak with a single voice.

Lionel Fulton from the Labour Research Department (UK) explained in his presentation that currently 19 of the 28 countries (EU-25 plus Norway, Iceland and Liechtenstein) have transposed the SE legislation. Apparently, only in very few countries has a substantial debate on the transposition been conducted. Most of the countries have used their discretion to implement provisions similar to those of the European Works Council Directive. Consequently, in some cases the mechanisms chosen by the member states (e.g. for the selection of the national members of the Special Negotiating Body) are not favourable to trade unions.

Until now only a limited number of companies have shown a genuine interest in founding a European Company, not least because some important questions remain unresolved (e.g. some taxation issues). However, today there are already some first cases that are – also from a worker participation standpoint – of great interest. At the seminar, the cases of Nordea, Strabag SE and Elcoteq were presented and discussed together with trade union experts who are involved in these cases (Per Karlberg from the Confederation of the Nordic Bank, Finance and Insurance Unions; Martin Pohl from the German trade union IG BAU and Béla Novodarszky from the company trade union of Elcoteq Hungary). The initial problems that arose in some of these cases clearly show the need on the side of the trade unions to be prepared when companies announce their intention to establish a European Company. It is not up to the trade unions to decide whether the creation of an SE is desirable or not. However, if a company decides in favour of an SE, it is required to seek a substantial solution on worker involvement in the future SE. Early networking between trade unions from several member states involved in the process seems to be an important condition for this. This networking idea is also one of the key elements of the PRESENS project.

It is obvious that the SE has to be regarded in the broader context of current developments in EU company law. Roland Köstler from the German Hans Böckler Foundation provided the participants with important information on the current EU initiatives within corporate governance (e.g. the European CG Forum) and on related forthcoming company law directives. Trade unions must keep a close eye on developments in this area to ensure that the standards of the SE Directive are not lowered in future EU laws. At least (and after long discussions) this seems

to be by and large secured in the case of the 10th EU Directive on cross-border mergers which is likely to come into force in 2007.

At the end of the seminar, Ludo Vekemans from the Social Development Agency, who is also a tax expert to the ETUC, explained some of the tax dimensions related to the European Company. Although there are de facto no tax rules applicable specifically to the SE, there are still a lot of open tax questions that need to be solved. In his presentation, Vekemans also drew the link between the taxation of SEs and the general questions relating to the existing diversity of taxation of companies in different countries that remain a major challenge within the EU.

Upcoming PRESENS events...

In September, a **final PRESENS conference** will be held in Bratislava to present the outcomes of the project and to discuss various important aspects of worker participation at board level (**23–24 September**).

Publications...

The country reports written within this project by experts and practitioners from the new member states will be made available in electronic form. Moreover, a 10-page summary will be translated into the languages of the new member states. Also, an update of the existing booklet "[Prospects for board-level representation under the European Company Statute](#)" will be produced within the framework of the project.

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More information about PRESENS:

<http://www.sda-asbl.org>

<http://www.seeurope-network.org/homepages/seeurope/presens.html>