

Bargaining at European level?  
*Joint texts negotiated by  
European Works Councils*



EUROPEAN FOUNDATION  
*for the Improvement of Living and Working Conditions*

Bargaining at European level?

*Joint texts negotiated by European Works Councils*

The European Foundation for the Improvement of Living and Working Conditions is an autonomous body of the European Union, created to assist the formulation of future policy on social and work-related matters. Further information can be found at the Foundation's website: [www.eurofound.ie](http://www.eurofound.ie)

**About the author**

Mark Carley is chief editor of the European Industrial Relations Observatory (EIRO) and co-editor of the *European Works Councils Bulletin*. He has researched and written extensively in the area of European Works Councils over the past decade.

# Bargaining at European level? *Joint texts negotiated by European Works Councils*

Mark Carley



EUROPEAN FOUNDATION  
*for the Improvement of Living and Working Conditions*

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 2001

© European Foundation for the Improvement of Living and Working Conditions, 2001

Printed in Ireland

The paper used in this publication is chlorine free and comes from managed forests in Northern Europe. For every tree felled, at least one new tree is planted.

---


## Foreword

As part of its on-going research project on European Works Councils, the Foundation presents a new report on the subject, this time focusing on the nature and extent of negotiating activity within EWCs. The research has limited its scope to examining examples of written joint texts on issues other than the EWC's own constitution or internal affairs.

The aim of the report is to provide:

- an examination of the contents of EWC agreements with regard to the negotiation of agreements and other joint texts;
- an overview of the various joint texts identified by the research as having been concluded by, or in the context of, EWCs;
- a detailed examination of 14 of the 22 joint texts identified, looking at their relationship with the agreements establishing the EWCs in question, their signatories, the nature of the joint texts (contents and status), the subjects covered, scope and follow-up procedures;
- an exploration, based mainly on publicly available sources of information, of the context and background to the conclusion of the 14 joint texts;

The report concludes that the negotiation of joint texts by EWCs is a very restricted, if growing, phenomenon. Although the issues raised are of considerable importance and it can be said to constitute a form of European-level bargaining (albeit limited), the activity is largely concerned with principles and policies rather than substantive issues, and with providing a framework for future action rather than having a direct effect in itself.

We hope that this work will contribute significantly to the EWC debate in the European Union.

Raymond-Pierre Bodin  
Director

Eric Verborgh  
Deputy Director



---


# Contents


Foreword		v
Chapter 1	<b>Introduction</b>	1
	The ‘Europeanisation’ of industrial relations	2
	Company restructuring	4
	Methodology	7
Chapter 2	<b>Provisions on negotiations in EWC agreements</b>	9
Chapter 3	<b>The joint texts</b>	13
	Relationship with agreements establishing the EWCs	16
	Signatories	18
	The nature of the joint texts	19
	Agreed principles, policies and rules	19
	Status of texts	21
	Subjects covered	25
	Scope	30
	Follow-up	30
Chapter 4	<b>Background to the agreements</b>	33
	Danone	33
	Deutsche Bank	35
	ENI	35
	Ford	36
	General Motors	37
	Philip Morris Tobacco	38

	Suez Lyonnaise des Eaux	39
	Vivendi	40
Chapter 5	<b>Factors promoting the negotiation of joint texts</b>	43
Chapter 6	<b>Conclusions</b>	47
	Postscript	51
References		55
Appendix	<b>Joint texts negotiated by EWCs</b>	59
	Air France	59
	Club Méditerranée	63
	Danone	64
	Deutsche Bank	73
	ENI-EMCEF-FULC	75
	Ford	77
	General Motors	82
	Philip Morris	86
	Suez Lyonnaise des Eaux	90
	Vivendi	92

---


## Chapter 1



## Introduction

It is some 15 years since the first agreement establishing a European Works Council was signed (at Thomson Grand Public, the French-owned electronics group), and four or five years since EWCs were created in considerable numbers – some 450 ‘Article 13’ agreements are thought to have been signed before 22 September 1996, the implementation date for the EWCs Directive<sup>1</sup>. At the time of writing (November 2000) there are probably some 700 EWCs in existence.

EWCs are thus now a widespread and (in some cases) a relatively long-established phenomenon. The focus of the interest of practitioners, researchers and policy makers in the EWC issue has thus increasingly shifted from the conclusion and content of EWC agreements to their practical operation – although of course many companies covered by the Directive are still to negotiate agreements. Research into this issue, largely on the basis of case studies, has developed over time, and various reports and articles have been published – see, for example, Lecher, Nagel and Platzer, 1999, or the March 2000 issue of the *European Journal of Industrial Relations*). Much research, however, is still in progress, and the Industrial Relations Research Unit at the University of Warwick, for example, is currently conducting a major project based on case studies.

Although it has been an issue for considerable speculation, one area of EWC activity which has received relatively little attention in practical terms has been the possible negotiating role of EWCs. To what extent have EWCs become the forum for negotiations between management and employee representatives? This report makes a first, exploratory attempt at examining the extent and nature of negotiating activity within EWCs. Given limited resources and time, the research

<sup>1</sup> Council Directive 94/45/EC of 22 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.

has taken a narrow focus, looking solely at examples of written joint texts concluded by management and employee representatives, within the context of EWCs, on issues other than the EWC's own constitution or internal affairs. As explored below (see Chapter 6), negotiating activity within EWCs does not necessarily result in written joint texts, but these are the most visible and readily accessible manifestation of such activity. Examination of more informal negotiating activity will have to await a more extensive and in-depth research project.

All issues relating to the operation of EWCs are currently of considerable interest because of the ongoing review process of the Directive. No immediate amendments were proposed by the European Commission in its April 2000 report on the application of the Directive<sup>2</sup>, but there are signs that it might pursue revision at a future date, following a more complete evaluation of the Directive's implementation and the conclusion of negotiations on related proposals (the draft Directives on national information and consultation rules and on worker involvement in the European Company Statute). However, several interrelated factors have also raised particular interest in the possible development of some form of negotiating role for EWCs, notably the possible 'Europeanisation' of industrial relations in multinational companies and the current wave of corporate restructuring.

## The 'Europeanisation' of industrial relations

Europe's increasing economic integration, which has gathered pace with the advent of EU Economic and Monetary Union (EMU), has raised the issue of a 'Europeanisation' of industrial relations, with numerous researchers and commentators identifying signs of such a process occurring at intersectoral, sectoral and company levels, both nationally and transnationally. A good overview of such developments in the field of collective bargaining is provided by a 1999 study from the European Industrial Relations Observatory (Marginson and Schulten, 'The "Europeanisation" of collective bargaining', *EIROonline*, July 1999, Record TN9907201S, [www.eiro.eurofound.ie](http://www.eiro.eurofound.ie)). Overall, this study finds a growing deployment of cross-country comparisons of pay, working conditions and employment practice in established bargaining arrangements at sectoral and enterprise levels within each country, and the development of forms of bargaining coordination across European borders. The emphasis so far has been on 'implicit' forms of coordination – the use by employers and trade unions of international comparisons, or developments in other countries, as benchmarks in sectoral and enterprise-level bargaining. 'Explicit' coordination – formal coordination of the bargaining agenda across borders and/or collective agreements whose terms are expressly contingent on developments in other countries – is less widespread. Bargaining cooperation, through exchanges of information, is rather more widespread than bargaining coordination. However, the study concludes that the development of any pan-European collective bargaining structures to determine pay and major conditions at intersectoral, sectoral and/or multinational company levels remains a distant prospect.

<sup>2</sup> *Report of the Commission to the European Parliament and the Council on the application of the Directive 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 (Council Directive 94/45/EC of 22 September 1994)*, European Commission, COM(2000)188 final.

At company level, the EIRO study finds, European economic integration has meant that many multinational enterprises have restructured their operations to create European-level management structures for the purpose of integrating production, distribution and marketing across Europe. In the area of human resources management, cross-border management coordination within larger multinationals appears to be well developed, as is the collection of data on labour-related aspects of performance by the companies' international headquarters. The performance indicators concerned include workforce numbers, labour productivity, labour turnover and absence, pay settlements, the incidence of industrial disputes and, most commonly, overall labour costs. Management uses such information in decisions on the location of investment and the relocation of production, and more generally in drawing performance comparisons between sites.

According to the study, in the more internationally integrated multinationals – especially in larger companies in sectors such as the automotive, electrical consumer goods and food manufacturing industries – management often uses these European (or wider) references and comparisons in local or national negotiations on working practices and working conditions, although they appear to a lesser extent in negotiations on pay. This is especially the case in the context of (actual and potential) decisions on investment, relocation or reallocation of production and divestment or closure. 'Concession bargaining' may occur, with changes in working practices and conditions traded against securing either future investment or current production for the site concerned.

Multinationals may also seek to diffuse 'best practices' in production and working and employment practice – notably in the areas of work organisation, quality assurance, working time arrangements and flexibility – among sites across Europe and beyond. It is not uncommon, state Marginson and Schulten, for 'coercive comparisons' of labour performance to be used to achieve the diffusion of such 'best practices'. In internationally integrated multinationals, operations in different countries are engaged in internal competition for both current production and future investment. International management uses inter-plant comparisons of labour costs and productivity to exert pressure on local management and the workforce at the different plants. In local negotiations, 'best practices' are implemented, or concessions in working and employment practices agreed to, as the price for securing current allocations of production and future investment.

A further aspect of 'Europeanisation' or 'internationalisation' within the more internationally integrated multinational companies is the development of regular international meetings of personnel and/or industrial relations managers, according to the EIRO study. Such meetings may involve laying down guidelines for local management on policy matters and sharing policy initiatives between sites.

Employees and their representatives in multinational companies also use cross-border comparisons and transnational coordination in bargaining. Marginson and Schulten find that trade unions and/or works councils deploy comparisons of working conditions and wage levels in company and site negotiations – especially in more internationally integrated multinationals in

sectors which are well organised by unions – but that this is less extensive than on the management side. Contact, liaison and cooperation between trade unions organising in the various European operations of a multinational is developing, both through direct contacts between unions and in the context of EWCs. It is in this area that EWCs appear to have developed a role in the Europeanisation of bargaining within multinationals, facilitating an exchange of information on working conditions, working hours, employment practice and sometimes pay between employee representatives from different countries. This information is relevant to local and national-level negotiations within the enterprise.

EWCs may have developed a role in cross-border trade union and employee contacts, information and cooperation (if not, as yet – according to the EIRO study – in coordinating the bargaining agenda across borders or generating common positions between unions), but the question remains as to whether they have moved or can move a stage further, to become a forum for negotiations over issues of relevance to all of a multinational's European operations.

Some commentators have suggested (see Marginson and Sisson, 1996; and Marginson and Sisson, 1998) that in the light of the above-mentioned trends, EWCs may develop a form of bargaining role at European level. The increasing coordination and use of cross-border comparisons on both the management and employee sides may lead to the development of a kind of 'arms-length bargaining', in which 'the parties do not formally negotiate at European level, but...influence and anticipate the reactions of each other', resulting in 'a growing convergence in working practice and employment conditions from one European country to another'. In these circumstances, it is suggested that 'EWCs may become the forum for joint opinions or framework agreements on aspects of employment and industrial relations policy. Such framework agreements would...establish the broad parameters of policy within which negotiations to secure implementation then took place at national or business unit level within the enterprise.' It is the extent to which such joint opinions or frameworks have so far developed that is the focus of the current report.

## **Company restructuring**

The corporate world is currently undergoing a massive wave of restructuring, with companies merging, splitting, taking one another over, entering alliances, closing and relocating operations and reorganising. Given the growing presence and strength of multinational companies, much of this restructuring takes places on a transnational scale.

Mergers and acquisitions are one of the clearest and most readily measurable manifestations of this trend. According to the United Nations Conference on Trade and Development (UNCTAD, October 2000), cross-border mergers and acquisitions worldwide have risen at an annual rate of 42% over the past 20 years. The value of completed cross-border mergers and acquisitions rose from USD 100 billion in 1987 to USD 720 billion in 1999, when there were about 6,000 transactions, with 109 'mega-deals' (worth more than USD 1 billion) accounting for more than 60% of the total value. UNCTAD finds that 'cross-border mergers and acquisitions...are driving

the foreign investment volumes to new records', and that '...a global marketplace for firms is emerging. Companies are being bought and sold across borders on an unprecedented scale.' In manufacturing, the highest levels of cross-border merger and acquisition activity in 1999 were found in the chemicals, electric and electronic equipment and petroleum products industries, while the highest levels in services were recorded in telecommunications, finance and business services.

In Europe, the value of cross-border merger and acquisition-related sales and purchases increased in 1999 by 83% and 75%, reaching USD 345 billion and USD 498 billion respectively. The EU accounted for almost half of global cross-border merger and acquisition-related sales and 70% of purchases, and EU companies were involved in all but one of 1999's 10 largest cross-border mergers and acquisitions. These trends in Europe are, according to UNCTAD, 'partly a response to the ongoing integration and liberalisation affecting much of European industry'. Although it is difficult to assess the full impact of the euro in this area, 'the current reshaping of European industry is likely to be affected by the single currency. The single currency will also contribute to greater price transparency and increased competition in Europe, putting more pressure on firms to restructure and consolidate their operations.'

More anecdotally, corporate restructuring has increasingly been brought forcibly to the attention of industrial relations practitioners and researchers by a series of high-profile controversies in recent years related to closures, workforce reductions and relocations involving multinational companies. Some of the most notable cases have included:

- Renault's closure in 1997 of its plant at Vilvoorde in Belgium, with the loss of over 3,000 jobs;
- Levi Strauss's 1998 programme of European plant closures;
- Michelin's announcement in 1999 of 7,500 job cuts in Europe;
- Goodyear's closure in 2000 of an Italian facility; and
- ABB and Asltom's announcement in 2000 of 4,000 job losses as a result of their merger.

These trends and events have focused attention on the role that is or can be played by EWCs in restructuring in multinationals operating in Europe. Restructuring is one of the most fundamental topics on which EWCs are informed and consulted, and indeed was one of the issues which prompted the adoption of the Directive.

The essential aim of EWCs, according to the Directive's preamble, is to provide for European-level information and consultation of employee representatives by multinationals so as to enable 'economic activities...to develop in a harmonious fashion' in an environment where 'the functioning of the internal market involves a process of concentrations of undertakings, cross-border mergers, takeovers, joint ventures and, consequently, a transnationalisation of undertakings and groups of undertakings'. This concern with restructuring is reflected in the following facts:

- The Directive's subsidiary requirements list 'transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies' as issues on which statutory EWCs are to be informed and consulted. They also provide for information and consultation meetings in exceptional circumstances affecting employees' interests to a considerable extent, 'particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies'.
- The majority of EWC agreements provide for information and consultation on transfers of production, mergers, closures and cutbacks. According to research conducted for the European Foundation for the Improvement of Living and Working Conditions (Marginson, Gilman, Jacobi and Krieger, 1998; and Carley and Marginson, 2000), some 52% of Article 13 agreements (i.e. those signed before 22 September 1996) and 76% of Article 6 agreements (those signed after 22 September 1996) provide for information and consultation on these issues. Furthermore, some form of extraordinary meeting in exceptional circumstances is provided for in 81% of Article 13 agreements and 97% of Article 6 agreements.

EWC information and consultation over restructuring is thus clearly provided for in formal terms. The extent to which this is effective in practice is, however, open to question. Indeed it was the alleged lack of consultation of EWCs (and other employee representative structures) that was one of the most controversial issues in some of the company cases referred to above. Such occurrences have contributed to calls from various quarters for the information and consultation rights of EWCs in restructuring to be enhanced.

The European Parliament adopted a resolution in February 2000 on the Goodyear and ABB-Alstom cases, in which it called for the EWCs Directive to be strengthened so as to ensure that information and consultation takes place 'at the planning stage, before any decisions are taken, and can therefore be effective and have a chance of exerting some influence' (EWCB, May/June 2000a). The European Trade Union Confederation (ETUC) wants the Directive's definitions of information and consultation to be beefed up considerably, for example providing that 'consultation takes place in good time before decision-making by central management or any other more appropriate level of management, so that the opinion of employees' representatives can still be considered during planning,' (see *Amendments of the ETUC to Council Directive 94/45/EC*, February 2000, available at [www.etuc.org/Policy/EWC/Revision/com9445ec.cfm](http://www.etuc.org/Policy/EWC/Revision/com9445ec.cfm)). It also seeks provisions whereby: measures taken by management which affect workers are valid 'only if the information and consultation procedure was carried out in due order'; companies not complying with the Directive's information and interpretation procedures are excluded from competitions for the award of public contracts and from Community-related financial support; and EWC agreements and the composition of SNBs would have to be adjusted in the light of company restructuring. Furthermore, ETUC wants proper information and consultation of employee representatives to be made part of the European Commission's merger control procedures (ETUC Working Paper no. 46, November 2000).

Beyond information and consultation, however, could EWCs, as the European-level forum where management and employee representatives meet, play a greater role in the regulation of matters relating to Europe-wide restructuring? With restructuring increasingly a pre-eminent issue for both management and employees across Europe, if EWCs are to adopt the role of negotiating framework agreements and joint opinions, as suggested above, then the employment and industrial relations effects of such restructuring might arguably be a ‘natural’ issue for such negotiations, as well as one likely to be high on the agenda at least of employee representatives. In our review of the context and content of joint texts negotiated by EWCs, we shall examine the extent to which this has occurred.

## Methodology

Given the limited and exploratory nature of this project, research into the extent of joint texts negotiated within EWCs has been conducted in a relatively informal way, primarily by seeking information from those individuals and organisations who are most likely to know about such developments, and by gathering data from published sources, notably the *European Works Councils Bulletin* and the European Industrial Relations Observatory’s *EIROOnline* database. Thus, requests for information were sent to: international social partner organisations – notably ETUC and its affiliated European Industry Federations, plus the Union of Industrial and Employers’ Confederations of Europe (UNICE); various EWC experts and consultants on both the employer and trade union sides; and a number of individual EWC representatives. Particular thanks for their assistance are due to:

- the European Committee of Food, Catering and Allied Workers’ Unions within the IUF (ECF-IUF);
- the European Federation of Public Service Unions (EPSU);
- the European Metalworkers’ Federation (EMF);
- the European Trade Union Federation – Textiles, Clothing and Leather (ETUF–TCL);
- the European Transport Workers’ Federation (ETF);
- the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF);
- the Unilever EWC;
- Boudewijn Berentsen of FNV-Centrum Ondernemingsraden (the Netherlands);
- Richard Fulham of the Amalgamated Engineering and Electrical Union (UK);
- Tom Hayes of EIRI Associates;
- Charles Liaser of the Vivendi EWC;
- Peter Reid of Peter Reid Consulting; and
- Fiona Webster of Organization Resource Counselors.



---

## Chapter 2

## Provisions on negotiations in EWC agreements

In formal terms, the prospects of EWCs developing a negotiating role are not very bright. The Directive provides for no such role for them, stating that their purpose is to improve information and consultation and laying down only an informative/consultative role for statutory EWCs based on its subsidiary requirements. EWC agreements rarely state that the negotiation of any form of joint text should be within the council's competence.

The database of EWC agreements created and maintained by the Foundation contains data on 386 Article 13 agreements and 63 Article 6 agreements. Of these, only eight Article 13 agreements (2% of the total) and three Article 6 agreements (5%) provide explicitly for the EWC to be a forum for negotiating joint texts.

The Article 13 agreements concerned are those at:

- Burda Holding (Germany, media);
- CLT (Luxembourg, media);
- Danone (France, food);
- Felten & Guilleaume Energietechnik (Germany, metalworking);
- Hager Electro (Germany, metalworking);
- Lafarge Coppée (France, construction materials);
- Phoenix (Germany, rubber products); and
- Sara Lee Personal Products (USA, clothing).

The Article 6 agreements concerned are those at:

- Air France (France, air transport);
- NCC (Sweden, construction); and
- Vogel & Noot (Austria, metalworking).

The 11 companies that have concluded EWC agreements which provide for a negotiating role are a small but diverse group, based in six different countries and operating in seven different sectors. Although the group is so small as to render such comparisons problematic, it differs from the overall body of multinationals with EWCs most notably in that the proportion of companies based in France or Germany is appreciably higher.

Turning to the content (where available) of the agreements identified by the Foundation's database as providing for the EWC to negotiate joint texts, we find that this provision is by no means clear or unambiguous in all cases.

The most detailed provisions are probably those found at Danone and Sara Lee Personal Products. The Danone agreement (of 11 March 1996) states as follows:

Article 5. 'The Committee [i.e. EWC] is a consultative body, that is, a place for exchanges of views and dialogue. It is designed to review periodically Danone's position and development; to facilitate a dialogue on those topics with trade union representatives; to suggest initiatives in line with the company's social policies; to negotiate joint statements and measures, including with respect to employment, training, information, safety and working conditions, as well as to the exercise of trade union rights.'

[...]

Article 16. 'The steering group shall prepare the annual Committee meetings and common positions jointly adopted by the IUF and Danone, and ensure their follow up.'

The Sara Lee Personal Products agreement (of 4 June 1996) takes a similarly clear approach, though it delegates the drawing up of proposed joint opinions to *ad hoc* working groups. It also goes further than the Danone agreement in laying down provisions for the implementation of any joint opinions agreed by the EWC – essentially stating that such implementation is voluntary on the part of local management and employee representatives, and giving the opinions the status of 'suggestions':

Article 1: Tasks

'The tasks of the European structure [EWC] include promoting information, social dialogue and the exchange of views regarding issues that come within the structure's jurisdiction, and encouraging the sharing of experiences between employees working in various Member States of the European Union.

The legal competence of the European structure includes the economic and financial status and organisation of the Sara Lee Group-Personal Products, Europe, activity forecast, production and sales, environmental as well as health and safety policies, employment situation and job forecast investments, major changes in the organisation of the Sara Lee Group-Personal Products, Europe, the massive introduction of new working methods or production procedures that affect several European Union countries, production transfers, mergers, company shut-downs, and collective redundancies.

With the agreement of the SLPP-Europe management the European structure may set up specific working parties for a fixed period of time. The task of these working groups would be to present

initiatives that illustrate the group's social policy, or to draw up proposals for joint opinions in areas such as employment, training, the application of trade union rights, equal opportunity, safety and working conditions. These proposals would be submitted to the European structure at its annual meeting. These suggestions shall be passed on to managements and local representation bodies for deliberation; it is understood that the decision to implement these suggestions, if applicable, comes within the exclusive remit of these bodies.'

The agreements at Air France (25 November 1997), Phoenix (21 February 1996) and Vogel & Noot (25 May 1998) are also clear that the EWC has a role in negotiating joint texts, but provide less detail:

Air France

*Article II.* [...] 'The social dialogue [EWC] aims to organise deliberations and debates with a view to achieving common opinions.'

Phoenix

4. 'The primary purpose of European Forum meetings shall be the exchange of information among employee representative bodies and between these bodies and the management board. At the same time, discussions shall form a basis for formulating fundamental joint opinions on current issues affecting employees, in so far as more than two countries or pan-European matters are involved.'

Vogel & Noot

*Article V.* [...] 'Joint opinions shall be agreed between the central management and the executive committee.'

Some of the other agreements are rather less explicit about a potential negotiating role for the EWC. The accords at Felten & Guillaume Energietechnik (6 September 1996) and Hager Electro (20 September 1996) seem to imply a negotiating role, without actually describing it. According to the Hager agreement (Section 2(2)): 'The central management of the group of undertakings shall ensure that agreements and arrangements which have been agreed on with the EWC are also carried out'. Similarly, the Felten & Guillaume agreement (§8) states that group management will provide that 'agreements which it reaches with the [EWC] will be implemented, also by companies belonging to the group, with reference to the respective national law'. The Lafarge Coppée agreement (8 December 1994) is even more vague, stating (Article 1) only that 'debates within this body [the EWC] can contribute to defining common approaches in areas of employment, training and working conditions', without specifying what form these 'common approaches' might take.

A positive capability to negotiate agreements is obviously a rare feature in EWC agreements. The prospects of EWCs taking on such a role are made even more remote by the fact that a number of agreements explicitly exclude negotiations from the EWC's remit. The Foundation database of Article 13 agreements does not cover this issue, but the Article 6 database does, finding that seven agreements (11%) expressly preclude a negotiating role for the EWC. The seven companies concerned are:

- American Express (USA, financial and travel services);
- BTR (UK, electronics and engineering);
- Coca Cola enterprises (USA, beverages);
- Delta (UK, metalworking);
- National Australia Group (Australia, finance);
- Nortel (Canada, telecommunications); and
- Pirelli (Italy, tyre and cable manufacture)

Interestingly, the list is made up almost exclusively of multinationals based in ‘Anglo-Saxon’ countries. The agreements at American Express (October 1998), BTR (12 January 1999) and Nortel (4 September 1998) provide clear examples of provisions forbidding bargaining or negotiating activity:

American Express

‘3.3. The American Express European Employee Forum neither replaces, nor duplicates, nor supersedes in any way existing procedures for informing and consulting employees and/or their representatives at other appropriate levels in American Express European operations, nor is it a forum for collective bargaining.’

BTR

‘4.2 For the sake of clarity and understanding, the EEF [EWC] is confined to information and consultation regarding transnational issues. It is not a forum for negotiation.’

Nortel

‘*Article IV.* [...] There shall be no co-determination or collective bargaining at the Forum.’

Furthermore, the prospects of bargaining in many EWCs are arguably made even more distant by the fact that issues subject to national or local information/consultation or bargaining are expressly excluded from the EWC’s agenda in 42% of Article 13 agreements and 30% of Article 6 agreements (consideration of pay and remuneration issues, incidentally, is explicitly ruled out in 19% of Article 13 agreements and 14% of Article 6 agreements).

To summarise, EWC agreements which mention the negotiation of joint texts are very rare. Article 6 agreements are more likely than Article 13 agreements to contain such provisions (though the very small numbers involved make this comparison relatively meaningless). Even among the handful of agreements that do mention a possible negotiating role for the EWC, this is rarely described in any detail, and the terms of the relevant agreements are vague in some cases. In agreements which provide for no negotiating role, the prospects of such a role developing in practice may often be made more remote by provisions excluding such negotiations or precluding discussion of certain types of issue.

---


## Chapter 3



## The joint texts

The research looked for joint texts on matters other than the EWC's constitution or functioning, concluded by the management of a multinational company and either a European Works Council (or the employee side of a joint management/employee EWC), or some other employee representatives in the context of an EWC (e.g. where the EWC was involved in the negotiations or the joint text gives the EWC a role in its implementation). Several 'borderline' agreements have been excluded from consideration because they do not fully meet these criteria. They include a 1995 agreement on trade union rights at Accor (France, hotels), signed by management and IUF, which was not signed by the Accor EWC and does not mention it, but is (according to IUF) discussed at EWC meetings.

Similarly, a 'global agreement' on 'cooperation, responsibility and social dialogue' (workers' rights, the environment and related issues) signed at Freudenberg (Germany, non-woven and allied products) in 2000 (EWCB, September/October 2000) does not mention the EWC and was not signed by it, but an employee representative on the EWC reports that it is discussed within this forum. It is worth noting that global agreements or 'codes of conduct' on workers' rights and related issues have been signed in recent years (usually by international trade union organisations) at a number of companies, such as Faber-Castell (Germany, woodworking), Hochtief (Germany, construction), IKEA (Sweden, retail) and Telefónica (Spain, telecommunications) – see EWCB, July/August 2000. Where EWCs are not signatories of these texts – as they are at Air France, Suez Lyonnaise des Eaux and Vivendi (see below) – or are not mentioned in them, it is possible that they do have some role in implementation in practice.

Evidence was found of 22 joint texts which had been concluded in 11 multinationals (including two separate divisions of Philip Morris), listed in Table 1 below. Danone alone accounts for six out of 22 (27%) of the joint texts. These are:

- Common viewpoint – Danone 1988;
- Plan for economic and social information in companies of the BSN group – Danone 1989(A);
- Action programme and plan for the promotion of equality of men and women in the workplace – Danone 1989(B);
- Framework agreement on skills training – Danone 1992;
- Joint declaration on trade union rights – Danone 1994;
- Joint understanding in the event of changes in business activities affecting employment or working conditions – Danone 1997.

Philip Morris and Air France each account for a further three texts (14%) and General Motors and Vivendi for two each (9%). The Vivendi texts are the following:

- Joint declaration on charter of fundamental social rights – Vivendi 1996;
- Charter on safety in the workplace in the group – Vivendi 1999.

The list includes all the cases known to the relevant European trade union federations in: metalworking; food; transport; textiles, clothing/leather; and public services. A lack of detailed response from chemicals, private services and building/woodworking indicates the areas where there may be gaps in the list.

The 11 companies make up too small a group for any meaningful analysis by home country and sector. It can be said that the list is dominated by French (five instances) and American (four) multinationals to a greater extent than the overall body of firms with EWCs, and that the utilities, food/drink/tobacco and motor manufacturing sectors are over-represented.

In terms of when the joint texts were signed (where this information is available), only at Danone does this practice date back to before 1996, with five joint texts having been signed at this company before that year. ENI and Vivendi joined the list in 1996, and Suez Lyonnaise des Eaux and Philip Morris Tobacco in 1998, while the joint texts at Air France, Club Méditerranée, Deutsche Bank, Ford/Visteon, General Motors (GM) and Kraft Jacobs date only from 1999, 2000 or 2001.

The joint texts at Kraft Jacobs, Philip Morris Tobacco (Principles on the introduction of the euro) and Sara Lee Personal Products are reported by reliable sources, but no text was available at the time the main body of this report was written (December 2000). Furthermore, the joint texts at Air France and Club Méditerranée, and the General Motors 2001 framework agreement, were concluded or came to light after the main body of the report was completed (see Postscript at the end of the report). The analysis from the section in this chapter entitled ‘Signatories’ onwards therefore involves only the 14 texts which were available in December 2000.



Table 1 Joint texts concluded by EWCs (or in the context of EWCs)

Company	Home country	Sector	Date of joint text	Nature of joint text	Subject
Air France	France	Transport	Unknown	Joint opinion*	Staff mobility
			Unknown	Joint opinion*	Position of sales staff
			June 2001	Social charter/ code of ethics	Human/workers' rights and principles of company's personnel policy
Club Méditerranée	France	Leisure	June 2001	Joint declaration	Subcontracting
Danone	France	Food and drink	August 1988	Common viewpoint	Basic principles and plan for joint work
			September 1989	Plan	Economic and social information for workers and their representatives
			September 1989	Action programme and plan	Promotion of equality of men and women in the workplace
			April 1992	Framework agreement	Skills training
			May 1994	Joint declaration	Trade union rights
			May 1997	Joint understanding	Changes in business activities affecting employment or working conditions
Deutsche Bank	Germany	Banking	March 1999	Joint position	New structures, job security and employability
ENI	Italy	Energy	June 1996	Agreement	Health and safety
Ford/Visteon	USA	Motor manufacture	January 2000	Agreement	Consequences of Ford's spin-off of Visteon for employees' status, employee representation and sourcing
General Motors	USA	Motor manufacture	July 2000	Framework	Consequences of alliance between GM and FIAT for employees' status and employee representation
			March 2001	Framework agreement	Current restructuring initiatives
Kraft Jacobs (Philip Morris)	USA	Food	1999	Code of conduct*	Unknown
Philip Morris Tobacco	USA	Tobacco	October 1998	Guideline	Accommodation of smokers and non-smokers
			Unknown	Principles*	Introduction of euro single currency
Sara Lee Personal Products	USA	Textiles	Unknown	Unknown*	Health and safety
Suez Lyonnaise des Eaux	France	Utilities/ communications	October 1998	International social charter	Fundamental rights and principles for human resources policy
Vivendi	France	Utilities/ communications	November 1996	Joint declaration on charter of fundamental social rights	Fundamental social rights
			November 1999	Charter	Safety in the workplace

\* Joint text reported by reliable source, but no text available at time of writing.

## Relationship with agreements establishing the EWCs

As seen in Chapter 2, the agreements on which the EWCs at Air France, Danone and Sara Lee Personal Products are based provide explicitly for joint texts to be negotiated. However, the EWC agreements at the other companies make no reference to a negotiating role.

- The Club Méditerranée EWC's role is information, reflection and consultation at the Community level, 'whereby the term "consultation" is to be understood as organising an exchange of views and establishing a dialogue, without this implying any requirement for the group to seek the opinion of the council before making the decisions it has to take'. The role of the EWC is said to be both 'distinct and complementary with regard to that of the delegations of the personnel which may exist on the level of each European company of the group. In no case may it replace these structures nor usurp their domains of competence,' (Article 3 of the agreement signed on 18 September 1996).
- The Deutsche Bank agreement (10 September 1996) provides only for information and consultation (Article 5).
- The ENI agreement (19 April 1995) refers in its preamble only to 'transnational information and consulting services', adding that 'in no case may the company committee [EWC] take the place of the workers' union representatives in the carrying out of their functions or limit the workers' rights in the various countries'.
- The Ford agreement (16 September 1996) refers in its preamble to 'purposeful information exchanges and consultation processes', defining information, in Article 1, as 'regular oral and/or written sharing of data and provision of explanation on such data as a basis for a dialogue', and consultation as 'regular dialogue and exchange of views'. It states clearly in Article 4 that the EWC and an accompanying 'decentralised information and communication procedure are additional instruments for information discussion and exchange of views on matters of transnational nature without impacting on existing national employee representation rights, procedures and collective bargaining'.
- The GM agreement (16 September 1996) mentions, in Article 1.2, only 'an exchange of views and establishment of a dialogue', adding, in Article 9.2, that 'the Forum is not intended to deal with nationally or locally negotiated collective bargaining terms'.
- The Kraft Jacobs Suchard EWC agreement (28 May 1996) states, in Article 1.1, that the EWC is a 'forum for the exchange of information and consultation, in the form of a dialogue and exchange of views'. It 'is not intended for local or national issues subject to national legislation or collective agreements. It shall not interfere with existing respective rights of management, employees, unions and works councils at local or national level' (Article 2.3).

- The agreement (5 April 1995) at Lyonnaise des Eaux– since merged with Suez and Société Générale de Belgique – states, in Article 3, that ‘the purpose of the European Committee is to promote information and social dialogue and encourage the sharing of experiences among employees of different nationalities. The European Committee shall not take the place of employee representative bodies within each undertaking’.
- The agreement (21 September 1993) at Générale des Eaux – now Vivendi – describes the EWC in Article 1 only as ‘a forum for pan-European discussion and exchange of opinions on the evolution of the composition of the group and on its economic, financial, and social perspectives. It shall not replace structures called for at the respective national level’.
- The stated role of the Philip Morris (PM) EU Region Tobacco Companies EWC (27 February 1996) is, according to Article 1.1, firstly, ‘to strengthen the process of information and consultation, in the form of a dialogue and an exchange of views between PM and its employees; secondly, to promote a mutual understanding between PM and its employees about the business of PM, its performance, its operating environment, and the marketplace for its products, and their relationship to the interests of PM’s employees; and thirdly, to enhance or further improve the mutual interests of both PM and its employees’. The EWC complements, but does not supplant existing mechanisms and agreements (Article 1.2).

All the agreements thus restrict the EWC’s role essentially to information and consultation, and most make clear that it is not to infringe on existing consulting and bargaining relationships – although none go so far as to expressly preclude a negotiating role. The Philip Morris agreement does, however, provide for the promotion of ‘mutual understanding’, a formulation which in practice provided the basis for the negotiation of a joint text (see Chapter 4 below).

Of the 11 EWCs identified from the Foundation database as being explicitly allowed to negotiate joint texts, only three – Air France, Danone and Sara Lee Personal Products – have been found by the research to have done so. Given the exploratory nature of the research, however, this is not to say definitely that no joint texts have been concluded in the other firms.

It thus appears that in most cases there is no very direct relationship between the contents of EWC agreements in this area and subsequent practice. The existence of an EWC agreement providing that the EWC may negotiate joint texts is no guarantee that such negotiations will occur, while the absence of such an agreement does not prevent such joint texts being negotiated (although presumably a clause expressly precluding any negotiating role might have a particularly negative effect).

## Signatories

As indicated by Table 2 below, the 14 joint texts analysed in detail were signed by management and a variety of employee-side parties.

Table 2 Employee-side signatories of joint texts

Company	EWC	International TU	National TUs	Other employee representatives
Danone (6 texts)		X		
Deutsche Bank	X			
ENI		X	X	
Ford	X			X
General Motors	X	X		
Philip Morris Tobacco	X	(X)		
Suez Lyonnaise des Eaux	X			
Vivendi (2 texts)	X			

The brief details are as follows:

*Danone.* All six joint texts were signed by senior management – usually the president or human resources director – and the IUF. However, they were clearly negotiated within the context of the EWC or an earlier informal structure (see Chapter 4), and are in some cases followed up and monitored within the EWC (see *Follow-up* below).

*Deutsche Bank.* The joint position was signed by a representative of group management and the (employee-side only) EWC.

*ENI.* The agreement was signed by group management, FULC (the body which brings together the chemicals sector trade unions affiliated to Italy's CGIL, CISL and UIL confederations) and the relevant European industry federation, EMCEF. However, it was negotiated within the context of the EWC and its results are followed up by the EWC (again, see below).

*Ford.* The agreement was signed by Ford management and the (employee-side only) Ford EWC, along with Visteon employee representatives.

*GM.* The framework was signed by management and the (employee-side only) EWC and subsequently by the relevant European industry federation, EMF.

*Philip Morris Tobacco.* The guideline was signed by the EWC's chair and vice-chair. The EWC is a joint management/employee body; the chair is a senior management representative and the vice-chair an employee representative (in fact, the general secretary of the relevant European industry federation, ECF-IUF).

*Suez Lyonnaise des Eaux*. The international social charter was signed by group management and the senior employee-side officials of the joint management/employee EWC.

*Vivendi*. Both the charter of fundamental social rights and the charter on workplace safety were signed by group management and the employee-side secretary of the joint management/employee EWC.

Thus, the EWC is the sole signatory of joint texts in only a minority of cases (four out of the 14 texts analysed in detail), and is not even a direct signatory in some cases (seven texts). International trade unions played some role in a majority of cases (nine texts), and national trade unions and other employee representatives in one each. Multiple signatories of some sort were involved in four cases.

### **The nature of the joint texts**

The 14 joint texts analysed have a variety of titles. Three are ‘agreements’ (ENI and Ford) or ‘framework agreements’ (Danone 1992), and two are ‘joint declarations’ (Danone 1994 and Vivendi 1996), while the remainder all have different titles. These can denote: some shared view or position – a ‘common viewpoint’ (Danone 1988), ‘joint understanding’ (Danone 1997) or ‘joint position’ (Deutsche Bank); a message sent to other parties – a ‘framework’ (GM) or ‘guideline’ (Philip Morris Tobacco); a detailed plan for action – a ‘plan’ (Danone, 1989(A)) or ‘action programme and plan’ (Danone 1989(B)); or a set of principles – an ‘international social charter’ (Suez Lyonnaise des Eaux) or ‘charter’ (Vivendi 1999). Furthermore, the Vivendi 1996 joint declaration concerns a ‘charter of fundamental social rights’.

Whatever their titles, the majority of the texts are essentially frameworks, in that they contain a set of principles, policies or rules agreed by the signatories which are to be implemented in some way by these parties and/or at lower levels within the multinational concerned. However, this broad description conceals a wide variety in the nature of the agreed principles, policies and rules, and in the way in which they are put into effect – see Table 3. Joint texts may contain more than one type of content and more than one method of implementation.

### **Agreed principles, policies and rules**

Some joint texts contain broad, general principles and rights of a fundamental nature (referring in some cases to International Labour Organisation standards). This is the case at Suez Lyonnaise des Eaux, where the international social charter refers to equal opportunities, combating social exclusion, personal development, employment (with continued employment promoted), employee contribution to the development of the firm, working environment, social dialogue, social consultation (union rights, employee representation and information), health and safety, and prohibition of child employment and compulsory labour. Similarly, the 1996 Vivendi charter covers prohibiting child and forced/prison labour and respecting trade union rights, while Danone (1994) deals with general trade union rights.

A further group of texts refers to principles which guide the company's actions in general or in a specific area. The Deutsche Bank joint position makes extensive reference to the company's 'values and corporate goals, which in turn stem from its four guiding principles: customer satisfaction, staff motivation, profitability and social responsibility'. It contains the following set of 'corporate standards'.

'A corporate culture of openness, commitment, trust, integrity and achievement should be practised throughout the bank.

The ability to provide open information and exchange views without bias enhances the bank's diversity and, especially, its interaction with people from other nations, cultures and religions.

Respect, consideration and responsibility for staff shape the attitudes and actions within the bank.

Fairness and credible leadership justify employees' confidence in the bank.

Honesty, incorruptibility, reliability and social competence foster long-term partnerships.'

The ENI agreement states the principles that guide the parties in the area of health and safety:

'Whereas the parties:

- share the primary objective of safeguarding workers' health and safety in workplaces;
- feel it is essential to reach a homogeneous level of protection and prevention for all workers of the ENI group in the European Union;
- believe that said objectives are pursued through a participative trade union confrontation which is an evolution of the experiences of the single European Union member countries.'

Other texts essentially contain agreed *policies* (although the distinction from principles is not always clear-cut) on particular issues, with varying degrees of detail, and sometimes alongside more general principles. This is the case with Danone, 1992, on skills training; Danone, 1994, on trade union rights; Danone, 1997, on the policies to be adopted in the event of changes in business activities affecting employment or working conditions; Deutsche Bank on structural changes, job security and employability; Philip Morris Tobacco on workplace smoking arrangements; and Vivendi, 1999, on workplace safety.

A number of joint texts lay down a jointly agreed *plan of action* on a specific issue. In the cases of Danone, 1989(A) and 1989(B), the joint text essentially does nothing else but outline such a plan, but in most other cases the plans accompany a statement of principles or policies – as with Danone, 1988, Danone, 1992, Deutsche Bank and ENI. The ENI joint text differs from the others in that the action concerned is the creation of a new joint body – a health and safety observatory – with rules on its composition, operation and tasks.

Finally, the Ford and GM texts lay down a concrete set of *rules* to be applied in a specific circumstance: the spin-off of the Visteon components division and the alliance with FIAT respectively. They are thus unique among the joint texts – although Danone, 1997, arguably comes close in laying down a set of clear rules to apply generally in the event of restructuring.



The most common contents are thus a plan of action or agreed policies (six cases each), followed by: general principles (three cases); rules (three cases); and specific principles (two cases).

## Status of texts

The various principles, policies and rules set out in the joint texts are put into effect in a variety of ways. If all the texts can arguably be described as frameworks, these frameworks vary considerably in their scope and in the extent to which they are binding.

At one extreme, the Suez Lyonnaise des Eaux social charter expresses the company's general commitment to respect and put into practice a set of values and rights. No specific action would appear to flow from this engagement (apart from a supervision procedure – see under *Follow-up* below). The same is true of the Vivendi 1996 charter, which expresses the joint commitment of management and employees to a similar set of values. These texts can thus be characterised as general frameworks for company policy.

Where joint texts contain more concrete provisions on specific actions, these can be by the parties to the texts or by lower levels of management or trade union/employee representatives within the multinational in question, or by both levels.

In the former case, the texts can be described as frameworks for the signatories' actions: actions which take various forms, from dialogue to practical activities. The joint texts in this category are as follows.

- The Danone 1988 common viewpoint, which expresses a joint commitment to work together on a set of issues to implement a number of agreed policies.
- The Danone 1992 framework agreement, which lays down a series of joint initiatives to be carried out (lower levels are also involved).
- The Danone 1994 joint declaration, which commits the parties to various monitoring and 'encouragement' activities to implement a set of agreed principles (lower levels are also involved).
- The Deutsche Bank joint position, which essentially represents a joint commitment by signatories (senior management and the EWC) to hold a dialogue on specific subjects, and to respect certain principles.
- The ENI agreement, which commits the parties to a specific action: the creation of a health and safety observatory.

In the other cases, the specific actions are to be taken by lower-level parties within the organisation. The joint texts thus constitute frameworks for lower-level actions. These actions tend to be practical measures.

- Danone 1989(A) and (B) and Danone 1992 lay down specific, practical actions to be carried out by management and/or employee representatives at divisional level: provision of information to employees, conducting studies and drawing up plans of action on gender equality, and carrying out studies, information and specific actions on training respectively.
- Danone 1994 provides for lower-level management and trade unions to negotiate and publicise agreements concerning trade union rights.
- Danone 1997 lays down detailed specific actions, relating to training, consultation, placement assistance and trade union rights, to be carried out at lower levels in the event of restructuring.
- The Ford agreement contains a detailed set of rules which the parties will implement at national level, covering the employment contracts and status of Visteon employees, the adoption of Ford collective agreements by Visteon, employee representation and bargaining arrangements, sourcing and rules on future restructuring.
- the GM framework lays down a set of specific rules for implementation at national levels, covering the transfer of employees, communication with the EWC, EWC representation, national representation and bargaining arrangements, the right of employees to return and new business opportunities.
- The Philip Morris agreement sets out guidelines on local smoking policies (the parties to be involved in developing the policy, ventilation, employee communication, signs, mechanisms to resolve issues arising and review), a template for local policies and a note to facility managers.
- Vivendi 1999 requires company managers and employee representatives to observe ILO workplace safety rules or, where these are more favourable, rules set by national legislation. This requirement translates into observance of a set of principles, such as ensuring that workplaces, machines, materials and working methods do not represent a risk to health and safety; not using dangerous materials without giving employees protective equipment and appropriate training; ensuring monitoring; conducting risk evaluations; and taking health and safety issues into account in planning.

A key question relating to these frameworks for lower-level action is the latitude allowed to these parties in implementing the joint texts. At one extreme is the Philip Morris Tobacco guideline, which is to be ‘distributed throughout the company to be considered by the local operating companies in adopting appropriate measures and solutions on a local level consistent with the communication, cooperation and employee participation mechanisms and agreements which exist at the operating companies’. Implementation is thus voluntary, although it should be noted that the text also contains guidelines on local policies which local management is ‘directed’ to follow. Similarly, the Danone 1994 joint declaration on union rights provides only for the signatories to ‘encourage’ lower-level management and unions to negotiate agreements.

The implementation of the other joint texts in this category is essentially obligatory. The Vivendi 1999 safety charter provides for a ‘duty of vigilance’ on lower-level managers and employee representatives, requiring them to mobilise all resources and structures to implement its policies. Carrying out the specific actions laid down in Danone 1989(A) and (B) and Danone 1992



appears to be compulsory at lower level, although the details of the development of these actions, at least in the areas of equal opportunities and training, is left to the local parties within the framework provided by the joint texts. Similarly, in Danone 1997, the local parties are responsible for implementing the principles and measures laid down in the event of restructuring, but their detailed translation into practice appears to leave some latitude to these parties.

The tightest and most binding frameworks are arguably those at Ford and GM. The Ford agreement lays down a set of detailed, binding provisions, which the parties are committed to implementing at national level. The provisions agreed, it appears, are those to be applied closely at national level, with little or no scope for variation. This, according to the EWC, has been reflected in the fact that the text has subsequently been implemented through national-level agreements, giving it legal status. The GM joint text is a framework for implementation at national level, but provides for very clear rules which seem to allow for relatively little national variation.

In terms of the relationship between the content and status of the joint texts, the overall picture, unsurprisingly, is that the more general the contents, the more general the way in which they are applied. Specifically:

- texts containing general principles are most likely to be general frameworks for company action;
- texts containing specific principles are in all cases frameworks for the signatories' action;
- texts containing policies are most commonly frameworks for lower-level action, followed by frameworks for the signatories' action;
- texts containing plans of action are equally likely to be frameworks for lower-level action and frameworks for the signatories' action; and
- texts containing rules are in all cases frameworks for lower-level action.

Voluntary frameworks for lower-level action in all cases contain policies, while obligatory frameworks for lower-level action most commonly contain plans of action and rules, followed by policies. Tightly binding frameworks for lower-level action contain rules in all cases, while the looser frameworks tend to contain plans of action and policies.

On the question of the extent to which the various joint texts can be compared with collective agreements in the sense usually understood in most national industrial relations systems – i.e. binding texts on specific issues – those joint texts which provide for clear rules and are to be implemented obligatorily (though not in themselves having any legal status) are arguably the closest. Danone 1997 and particularly the Ford and GM texts are the cases which fit this profile most closely, while the Suex Lyonnaise des Eaux and Vivendi (1996) social charters are probably the furthest removed

Table 3 Content and status of joint texts

Issue	Danone 1988	Danone 1989(A)	Danone 1989(B)	Danone 1992	Danone 1994	Danone 1997	Deutsche Bank	ENI	Ford	GM	PM Tobacco	SLdE	Vivendi 1996	Vivendi 1999
<b>Content</b>														
General principles					X							X	X	
Specific principles							X	X						
Policies				X	X	X	X				X			X
Plans of action	X	X	X	X			X	X						
Rules						X			X	X				
<b>Status:</b>														
General frameworks for company action												X	X	
Frameworks for the signatories' actions	X			X	X		X	X						
Frameworks for lower-level actions:				X	X	X			X	X	X			X
Voluntary					X						X			
Obligatory:		X	X	X		X			X	X				X
• Latitude in implementation		X	X	X		X								X
• Low latitude/no latitude in implementation									X	X				



## Subjects covered

In terms of the main issues which the joint texts seek to address, the most common themes are clearly company restructuring and social rights, including trade union rights.

Company restructuring is the basic theme of the joint texts at Danone (1997), Deutsche Bank, Ford and GM. The Ford and GM texts lay down a set of detailed rules to apply in specific current or forthcoming cases: the spin-off of Visteon and the alliance with FIAT respectively. The Deutsche Bank joint position sets out a number of principles to apply to company restructuring generally, and provides for dialogue between management and the EWC on a number of specific related issues. The Danone 1997 joint understanding provides an extensive and detailed set of principles and policies to apply when restructuring affects employment or working conditions.

Social rights, including trade union rights, are the central topic of the Danone 1994 joint declaration and the Suez Lyonnaise des Eaux and Vivendi (1996) social charters. The Suez Lyonnaise charter commits the parties to respecting a wide range of basic rights; the Vivendi charter a narrower one (child labour, forced/prison labour and union rights). The Danone 1994 text deals solely with union rights, laying down a number of principles and actions to implement them.

Health and safety is the main theme of two texts (ENI and Vivendi 1999). No other subject is the main theme of more than one text, with one each dealing with training, equal opportunities, information for employees and representatives, and smoking at work.

Within their overall themes, however, the joint texts deal with or touch on (if only briefly) a wider range of subjects, as Table 4 below indicates.

The most commonly mentioned issue is the information, consultation or participation of employee or trade union representatives, which is referred to in all but one of the texts (Vivendi, 1996). This can be a substantive aspect of the text – as at Danone 1988, Danone 1989(A), Deutsche Bank, ENI or Suez Lyonnaise des Eaux – but more commonly such information, consultation or participation is provided for procedurally in the implementation of the text's principle, policies or rules. The other most frequently mentioned issues are:

- training, referred to in nine of the texts;
- company restructuring (seven);
- trade union rights (six);
- equal opportunities, either substantively or in the application of principles or policies (five);
- the company's employment levels or employment policy (four);
- collective bargaining: either (Ford and GM) specific bargaining arrangements, or (Deutsche Bank) a general reference to considering bargaining systems in restructuring (three);
- working time arrangements (three); and
- employment status or contracts (three).

Grouping the issues, we find that:

- one or more employee representation and participation issues are dealt with in all 14 texts;
- one or more ‘specific issues’ (mainly training, equal opportunities, health and safety) are dealt with in 12 texts;
- one or more issues relating to the company’s policies (employment or business) and actions (restructuring) are dealt with in seven texts; and
- one or more issues relating to employment conditions, status and contracts are dealt with in five texts.

The subsidiary requirements of the EWCs Directive provide a list of topics for EWC information and consultation, as follows:

- the structure, economic and financial situation;
- the probable development of the business and of production and sales;
- the situation and probable trend of employment;
- investments; and
- substantial changes concerning organisation, the introduction of new working methods or production processes, transfers of production, mergers, cutbacks or closures of undertakings, establishments or important parts thereof, and collective redundancies.

This has been reflected in the fact that a majority of EWC agreements (as examined in the Foundation database) list these topics as the central issues to be dealt with. On top of these Directive-related issues, a substantial minority of agreements also include health and safety, environmental issues, training and equal opportunities.

The central themes and specific issues mentioned in the joint texts for the most part fall clearly within the normal areas dealt with by EWCs; this is the case for company restructuring, employment levels/policy, training, equal opportunities and health and safety. Furthermore, the themes and issues mostly reflect the specific lists of topics for information and consultation set out in the EWC agreements of the eight relevant companies. It can thus be argued that the negotiating activity in these EWCs may largely represent a continuation of their information and consultation activity. However, there are significant exceptions.

First, the range of representation/participation and social rights issues dealt with in the joint texts are not mentioned in the subsidiary requirements, nor in all but a handful of EWC agreements. In the case of Danone, these issues are listed in the company’s EWC agreement, but they are not in the other relevant firms (Deutsche Bank, ENI, Ford, GM, Philip Morris Tobacco, Suez Lyonnaise des Eaux and Vivendi). The Ford and GM joint texts go so far as to lay down specific rules on the employee representation and bargaining arrangements to apply after changes in the company’s structure.

Second, the issues relating to employment conditions and status dealt with at Danone 1997, Deutsche Bank, Suez Lyonnaise des Eaux and especially Ford and GM are covered by neither the Directive, nor any appreciable number of EWC agreements, nor the specific EWC agreements of the companies concerned. These provisions on employment conditions are sufficiently unusual to warrant special attention.

The Suez Lyonnaise des Eaux charter touches on the issues of employment conditions, in that it contains a company commitment to pay employees fairly:

**5. Contribution to the development of the firm**

‘Irrespective of the country of work, each employee contributes to the development of the firm. Suez Lyonnaise des Eaux undertakes in return to assess its employees’ skills and pay them according to the functions which they carry out, and the rules and practices in the sectors of activity in the countries in which the group is present on the basis of normal working hours. Suez Lyonnaise des Eaux undertakes to seek to improve the living conditions of its employees.’

The Deutsche Bank joint position deals relatively briefly and obliquely with the status and employment conditions of employees, and only as a matter for consideration or debate. It provides that ‘whenever new structures are implemented, the...collective pay-bargaining system... need[s] to be considered’. It also establishes a dialogue on possible changes to working time arrangements and employment status, plus severance payments, to avoid or mitigate job losses. It states that this dialogue will cover:

‘...ensuring job security by means of HR policy tools which are used when staff cuts are unavoidable. Apart from natural wastage, these can include measures such as various forms of early retirement, shorter working hours, more flexible working hours, financial compensation for losing one’s job, etc;’

The Danone 1997 joint understanding on restructuring deals with employment conditions and status in a somewhat more direct way, laying down rules relating to possible redeployment and changes in working time arrangements to avoid job losses, and on the forms of employment to be prioritised in workforce reductions:

‘...the transfer of employees affected by the decisions to other positions within the companies of the Danone group should be examined prior to any other measure being considered, to the extent that it is feasible, jobs to which employees are transferred should be located in the same vicinity;  
Consultations should provide a venue for trade unions – or, in their absence, for employee representatives – to submit proposals as alternatives to plans by management (redistribution and shortening of working hours, reductions in overtime, etc). Unions shall have the option of being assisted in this task. Management should examine and respond to proposals reasonably promptly (within one month at most) and defend its decisions before the concerned bodies;  
Permanent jobs should be considered the priority. Cut-backs should first be made among all other type of jobs (temporary, subcontracting) in order to protect permanent positions.’

The GM framework is more specific, dealing in a concrete way with employees’ contracts, status and transfer rights in the joint ventures (JVs) created with FIAT:

‘Employees transferring to the JVs shall be treated as if they continued to be employed by their previous employer. Where applicable, new employment contracts or amendments to existing contracts shall confirm this.

[...]

In the unlikely event of a failure of the GM-FIAT alliance, employees will be afforded the right to return to existing former employment location.’

The Ford agreement goes furthest in this area, laying down binding, detailed and concrete rules on the employment status of Visteon employees when the company is spun off, and the maintenance of their terms and conditions of employment. The agreement states:

**Employment contract**

‘The existing employees of the above-mentioned activities will become employees of Newco [Visteon after its spin-off]. The employees will be transferred to Newco no later than the end of the second quarter 2000.

Accrued seniority and all existing terms and conditions, in particular pension entitlements, will be transferred to the new employment contracts. For the duration of their employment, terms and conditions of existing Ford employees, who transfer to Newco, will mirror Ford conditions (including discretionary pension in payment increases) in their respective countries (lifetime protection).

In respect of employee programmes, such as car purchase and share purchase plans, comparable programmes will be developed and implemented.

Until the full spin-off of Newco, present Ford employees working in Visteon activities will be eligible to volunteer to be reassigned to Ford. The timing of these flow-backs to Ford will be subject to the availability of suitable opportunities within Ford facilities, normal selection criteria, and the need to maintain operations within Newco. If an employee refuses two offers of suitable vacancies in Ford, the flow-back commitment will cease. Ford will commit to implement all flow-backs within a five-year period from the date of full spin-off.

In addition, existing Ford employees working in Visteon who transfer to Newco at the time of the transfer of assets and liabilities to Newco (“legal separation”) will have the opportunity to apply for vacancies within Ford which are to be filled externally, and they will be considered against normal Ford selection criteria. Where they are equally suitable, former Ford employees who have transferred to Newco will be given preference over other external candidates, and past Ford and Visteon experience will be taken into account.

Future new hires into Newco after the date of legal separation will be employed under terms and conditions decided by Newco, which in the UK will be negotiated collectively as appropriate and in Germany will be aligned with the respective tariff agreements.

For terms and conditions of employment of existing Ford employees who transfer to Newco at the time of legal separation in the UK and Germany, Newco will adopt and honour the outcome of the Ford collective agreements in the respective countries.’

In providing for such detailed, specific provisions on aspects of employment conditions, the joint texts at Ford and, to a lesser extent, at GM come closest to what is normally regarded as a collective agreement in most national industrial relations systems.

Table 4 Issues mentioned in joint texts

Issue	Danone 1988	Danone 1989(A)	Danone 1989(B)	Danone 1992	Danone 1994	Danone 1997	Deutsche Bank	ENI	Ford	GM	PM	SLdE	Vivendi 1996	Vivendi 1999
<b>Representation/ participation issues</b>														
Information/ consultation/ participation of employee/union representatives	X	X	X	X	X	X	X	X	X	X	X	X		X
Trade union rights	X				X	X						X	X	
Representation arrangements									X	X				
Collective bargaining							X		X	X				
<b>Company policy/ action issues</b>														
Company restructuring	X			X		X	X		X	X		X		
Employment levels/ policy						X	X		X			X		
Business policy									X	X				
<b>Employment conditions/status issues</b>														
Employment status/ contracts						X			X	X				
Terms and conditions of employment									X			X		
Working time arrangements						X	X					X		
Specific issues														
Training	X			X	X	X	X	X	X			X		X
Equal opportunities	X		X		X	X						X		
Health and safety								X						X
Smoking at work											X			
Prohibition of child/ forced labour												X		X

## Scope

In terms of their geographical scope, the joint texts at Deutsche Bank and Vivendi are explicitly worldwide, as is the Suez Lyonnaise des Eaux charter by implication. The various Danone texts do not state any particular scope, but they can be assumed to be worldwide, in that they often refer to the whole group, and IUF, the employee-side signatory, is a global trade union organisation. The only possible exception is the 1997 joint understanding, which suggests that IUF is signing it only on behalf of its European affiliates.

The remaining joint texts – at Ford, GM, Philip Morris Tobacco and ENI – are explicitly European in scope, although the Ford agreement is a companion to a similar agreement covering the USA (see Chapter 4, *Ford*).

While all the other joint texts appear to cover all the multinational's operations and employees in the relevant geographical area, and a general range of situations, the Ford and GM texts are more specific. The Ford agreement covers a specific group of employees (below senior management level) in a named set of EU plants in the company's Visteon division, while the GM framework covers employees transferred to joint ventures with FIAT, within the EEA countries covered by the EWC.

The Vivendi charters are unique among the joint texts in that they provide that their principles are to be observed not just by the company itself, but also by subcontractors and suppliers.

## Follow-up

Five of the 14 joint texts analysed do not contain any explicit provisions on how their implementation is to be followed up and monitored. The remainder do contain some references to this issue, usually involving the EWC in various ways.

- The Danone 1994 joint declaration on union rights states that its implementation will be reviewed in a concerted way in the plenary meeting of the EWC (or the earlier informal structure (see Chapter 4, *Danone*). The 1989 (B) action programme on equality is subject to a joint interim progress report and final evaluation; the 1992 framework agreement to a joint follow-up and evaluation procedure. In both cases, the involvement of the EWC seems implied.
- At ENI, the work of the health and safety observatory established by the joint text is to be discussed in the EWC prior to implementation.
- Ford management and the EWC select committee are to set up a working group to monitor their agreement's implementation and decide on any disputes on interpretation.
- Issues or concerns about the GM framework are to be referred to the EWC 'leadership' for clarification and/or resolution.
- The Suez Lyonnaise des Eaux human resources department and the EWC are stated by the international social charter to be jointly responsible for supervising its application, in



cooperation with recognised employee representatives. This subject is to be included on the agenda of each EWC meeting.

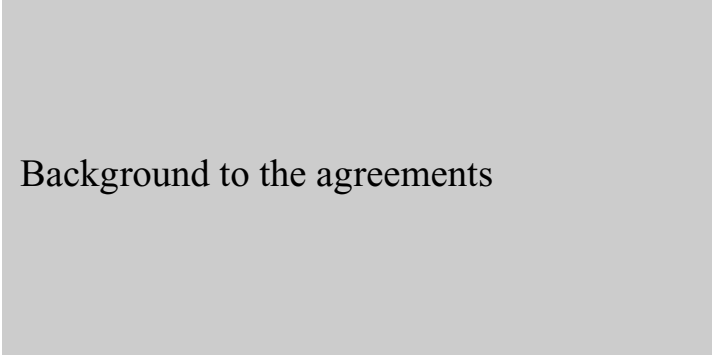
- The EWC select committee may bring up with management any issues relating to the rights covered by the 1996 Vivendi charter. Although this is not apparently mentioned in the text, according to management a report on the implementation of the charter is presented every year to the EWC. The 1999 safety charter states explicitly that management will regularly provide the EWC with information and statistics allowing it to monitor the charter's implementation, while the EWC may bring up with management any problems relating to the charter's implementation.



---


## Chapter 4



## Background to the agreements

Although the current report is based essentially on desk research rather than interviews, information on the circumstances in which the joint texts were reached is available from various primary and secondary sources in most cases (eight companies), shedding some light on the question of why these particular companies and EWCs concluded such accords.

### **Danone**

Danone has long been noted as being unusually innovative and ‘progressive’ in its European industrial relations policies, and is arguably something of a ‘special case’ (see EWCB, May/June 1996). Contacts between IUF and the management of the company then known as BSN started in 1985 (with roots going back as far as 1972), and a first meeting between management, national trade union representatives, IUF and its European committee, ECF-IUF, was held in 1986. This led to an exchange of letters between IUF and management, in which it was agreed to set up a ‘European consultative committee’ for BSN’s food and drink operations, bringing together representatives of management with international and national union officials and workplace union representatives. This body, which met annually from 1987 onwards, was one of the first EWCs. It was subsequently formalised by an Article 13 agreement in March 1996 – as seen above (Chapter 2), this agreement provides explicitly for a negotiating role for the EWC.

In 1988, having already held several meetings, BSN management and IUF and its affiliates signed a ‘common viewpoint’ expressing their agreement that it was necessary to develop a number of coordinated initiatives in the areas of: skills training; economic and social information; gender equality at work; and trade union rights. It was on the basis of this common viewpoint that joint work started on these four themes, leading to the conclusion of a joint text on

each of them over the 1989-1994 period. Subsequently, an additional joint text was agreed in 1997 on changes in business activities affecting employment or working conditions.

BSN/Danone thus established an EWC long before all but one or two other firms had done so – and long before the EWCs Directive was proposed – and this body (and IUF) was given a negotiating role almost a decade before any other EWC. It is thus hard to argue with the suggestion that some very special and unusual circumstances apply at Danone. A number of commentators have highlighted the role played by the personal philosophy of the company's former president, Antoine Riboud, carried on by his successor, his son Franck. This is summarised by Danone (*Responsabilité Sociale, Rapport 1999*, Groupe Danone, available at [www.groupedanone.fr/Responsabilite\\_Sociale/pdf/RAPPORTS.PDF](http://www.groupedanone.fr/Responsabilite_Sociale/pdf/RAPPORTS.PDF)) as follows (own translation): 'The group has constructed its identity around a conviction: that the company's performance flows from the attention it pays its employees. This is the meaning of the economic and social double project put in place in 1971 by the group's founder, which continues to guide the Danone group's staff, whether in their strategic decisions or in their daily work.'

Part of this philosophy, which has been translated into corporate culture, is a positive view of 'partnership' and of trade unions as legitimate interlocutors at all levels (as recognised by the 1994 joint declaration on union rights). In the words of the company's 1999 report on social responsibility (own translation): 'For Danone, modern industrial relations are based on a real exchange, on a daily basis between co-workers, and on a regular basis with employee representatives and trade unions at the level of the workplace, the subsidiary and the group.' As Dan Gallin, then general secretary of IUF, was quoted as saying in 1996 (EWCB, May/June, p. 5), while Danone is not the only company that takes this positive view of unions, it is the one that takes it furthest. The group has, furthermore, developed a 'social platform' for its operations throughout the world which, as well as respect for international and national labour standards, lays down a number of principles, including 'social dialogue and the recognition of employee representatives'; 'communication to facilitate mutual comprehension'; and 'the will to limit the social consequences of modernisation and restructuring plans'.

The 1997 joint understanding on changes in business activities affecting employment or working conditions, which seeks to put into effect the EWC's information and consultation rights in this area, as laid down in the company's 1996 EWC agreement, should also arguably be seen against the specific background of Danone's restructuring activity. According to *Le Monde* (30 May 1997), the text was signed at a time when Danone was cutting 1,500-2,000 jobs a year in Europe and in the course of a process whereby the group was reorganising and divesting various operations as it concentrated on three core business areas (fresh dairy products, biscuits and water). This period also saw a change in the geographical focus of the group, with employment outside western Europe growing from 8% of the total in 1991 to 56% in 1999. The joint understanding, which essentially deals with measures to accompany or mitigate job losses, can thus be seen as a direct response to company restructuring.



## Deutsche Bank

The negotiation of the Deutsche Bank joint position on new structures, job security and employability in 1999 has been ascribed by Wolfgang Hermann – an official of the German White-Collar Workers' Union (Deutsche Angestellten Gewerkschaft, DAG), closely linked to the Deutsche Bank EWC – largely to the will of a well-organised EWC in a context of restructuring and change (Hermann, 2000). The company has been undergoing a process of expansion abroad in recent years. With acquisitions in, for example, the USA, UK, Japan and Belgium, nearly half of its 93,000 employees are now found outside Germany, and it has also been moving into telephone banking and e-commerce. In 1999, a major merger with Dresdner Bank was on the cards. (This has since failed.)

With the Deutsche Bank EWC agreement providing for no negotiating role, according to Mr Hermann, 'what happens in practice depends not just on the text of the agreement but its interpretation and the EWC's own view of its role. From the start the Deutsche Bank EWC did not simply seek a role as a body to be informed. It also aimed to shape developments [...] A series of projects linked to the restructuring of the group and its orientation towards European and international financial markets made it very clear to the Deutsche Bank EWC that it needed to intervene to influence future developments. The result was a "joint position" on job security, which was finally signed in spring 1999 after more than a year's not always easy negotiations. The length of the negotiations is explained by the fact that this was new terrain for both sides with the group committing itself to arrangements which went considerably beyond those in the EU Directive.'

It is also worth noting that Deutsche Bank is another firm that makes a point of advertising its 'progressive' human resources policies, seeking to be a 'world-class leader in its field known for an open, learning, human and productive system of work' (see [www.deutschebank.de](http://www.deutschebank.de)). Perhaps of relevance to its willingness to sign the job security joint opinion is the company's policy of 'humanising change'. According to Heinz Fischer, director of personnel at Deutsche Bank AG (again on the company's website): 'This does not mean change at all costs, but rather change where it is unavoidable. It also means developing a sense of understanding for any necessary changes and to make it as painless as possible for those affected by such changes.'

## ENI

Although little information is available on the background to ENI's conclusion of an agreement on workplace health and safety with Italian and European unions in June 1996, it is worth noting that the company – unsurprisingly, given the sectors in which it operates (petrochemicals, gas, power generation) – places considerable emphasis on health and safety in its operations. The ENI 'code of practice' ([www.eni.it/english/panorama/codice/codice.html](http://www.eni.it/english/panorama/codice/codice.html)) includes an emphasis on the importance of health and safety and of employees' participation in this area. It may also be significant that the company signed a relatively early EWC agreement in April 1995, one of the first in Italian multinationals. Through this agreement, ENI states that it seeks 'to confirm its

Italian tradition of labour union relations at the European level', a tradition which is thought to be one of cooperative and participative relations.

## Ford

According to information from the German metalworkers' trade union, IG Metall, and the chair of the Ford EWC, the company has planned for some time to spin off its Visteon components division, with some 78,000 employees worldwide (52,000 in the USA and 20,000 in 26 European locations, notably in Germany and the UK) and float it as a separate company on the stock exchange. This plan led to worldwide opposition among employees and their representatives. In early summer 1999, the EWC took the initiative of drawing up a European employee representatives' joint strategic position on the planned spin-off. In July, a common plan of action was agreed with representatives of the USA's United Auto Workers (UAW) trade union at a first ever meeting of the EWC and UAW (held in Cologne). As well as agreeing a joint position, the US and European representatives agreed to keep each other informed about the state of negotiations with management.

The EWC states that it aimed to conduct worldwide negotiations on the future position of Visteon employees but that this met with firm opposition from management and was also made impossible by the different legal frameworks in the USA and Europe. The EWC thus decided to await the outcome of negotiations with UAW in the USA, and then seek to use this settlement as the basis for a European-level resolution of the Visteon issue. The UAW is seen by the EWC as having been 'very successful' in its negotiations, a success which it ascribes partly to the fact that management was faced for the first time with a united position, accompanied by strong international solidarity, among all Ford workers.

The talks in the USA, according to UAW ('Highlights of the UAW Ford 1999 agreement', *UAW Ford Report*, [www.uaw.com](http://www.uaw.com)), resulted in an agreement providing that, in the event of a Visteon spin-off or sale:

- employees will benefit from lifetime coverage under the UAW Ford agreement, as Ford employees. In addition, any and all existing transfer rights will be preserved – in other words, should Visteon become independent, the rights of current Ford employees to transfer to or from Ford or Visteon plants will remain in place;
- workers hired after the separation will be covered by three successive agreements (including the 1999 UAW Ford agreement) that mirror exactly the 1999 UAW Ford agreement and the following two UAW Ford agreements; and
- for the duration of their employment with and retirement from Visteon, new employees hired by Visteon or any Visteon successor during the period of these three agreements will be provided with wages, benefits, and other terms and conditions of employment which are an exact mirror of the successive UAW Ford 'master agreements'.



The EWC then sought negotiations over a similar agreement for Visteon employees in Europe, though adapted to the different legal framework on transfers of undertakings in the various European countries, and including white-collar workers (who are not represented by UAW in the USA).

According to IG Metall and the EWC, management, referring to European laws, opposed the call for Visteon employees to remain on the Ford payroll after any separation. Furthermore, it is claimed that management threatened that, in the event of any strike action in support of the EWC's demand for Visteon employees to remain under the aegis of Ford, it would not include in any agreement sites in countries where there is no obligation to treat white and blue-collar workers equally. However, if this demand was dropped, management reportedly stated that an agreement covering all employee groups was possible.

After 'intensive internal deliberations', the Ford EWC agreed the following bargaining strategy:

- to establish what were the maximum concessions that management was prepared to make;
- to maintain the demand that all European employees in Visteon operations should remain Ford employees; and
- if management made appropriate concessions, to consider if a balanced approach could be agreed over the transition arrangements.

The Ford EWC considered this strategy as a 'crucial step forward', which took the interests of European employees fully into account and kept the possibility open of actively influencing the transition process, which seemed unavoidable.

In December 1999 negotiations began, involving the EWC (which was authorised to negotiate by the various national works councils, shop stewards' committees etc.), Visteon employee representatives and group management. While positions were still far apart at this point, according to the EWC, they drew closer together at a negotiating meeting in January 2000, following a series of discussions involving management up to US headquarters level. An agreement was finally reached at a full meeting on 23-25 January.

The Ford/Visteon agreement was thus clearly prompted by a European (and world) level restructuring issue – the spin-off of Visteon. A key factor in its conclusion appears to have been the unusually high level of transnational cooperation and coordination between employee representatives, both within Europe, where representatives were prepared to give the EWC a negotiating role, and between Europe and the USA.

## General Motors

The July 2000 General Motors agreement with its EWC again arises from a very specific instance of company restructuring, in this case an alliance with another motor manufacturer, the Italian-based FIAT. In March 2000, the two companies signed an alliance agreement, providing for an exchange of shares and the launch of various joint ventures (owned 50% by FIAT and 50%

by GM). These joint ventures, to be implemented in Europe and Latin America, involve cooperation in the areas of ‘powertrains’ (engines, gearboxes and suspensions), the purchase of car components and parts, the organisation of financial services to dealers and consumers, ‘platform development’ and R&D programmes associated with the production of passenger cars and light commercial vehicles. The two firms will continue to compete worldwide in the design of other components and in the assembly, distribution, branding, marketing and sale of cars.

According to the International Metalworkers’ Federation (IMF) (*World Auto Report 2000*, IMF, Geneva, 2000), trade union and works council representatives from GM/Opel and FIAT met to discuss the repercussions of the alliance on 2 May 2000. On 11 May, the GM EWC – or European Employee Forum (EEF) – met with management and was informed about the initiative. The EWC formulated a set of demands and principles that included the following:

- continuous and timely information should be provided about developments in the alliance;
- the alliance must not lead to workforce reductions, plant closures or the worsening of working conditions.
- existing collective bargaining agreements must continue in force;
- workers subject to transfer should have the right to remain and return; and
- current national or EU-wide representation bodies and unions should be recognised in any new enterprises that may be formed.

Management, claims IMF, was ‘reluctant to provide clear information and to enter meaningful negotiations on these issues, and consequently a series of workplace confrontations, including work stoppages, erupted at the Bochum plant in Germany in early June.’ Subsequently, the agreement on the consequences of the alliance with FIAT was signed by management and the EWC in July, based, according to IMF, on the EWC’s demands.

IMF also reports that at the same time as the EWC, and for similar reasons, unions in Brazil began demanding information and negotiations on the FIAT alliance, and contacted their European and North American colleagues through an IMF action network. In early July, ‘lack of management response’ led to workplace actions in Brazil. The GM action network, including the EWC, sent messages of support.

GM thus represents another example of an EWC joint text prompted by a Europe-wide (indeed global) restructuring issue, and facilitated by close international cooperation between workers’ representatives. An additional and unusual factor in this case is that according to the unions, industrial action was used to place pressure on management to negotiate on the topic in question.

## **Philip Morris Tobacco**

Philip Morris, as one of the world’s leading tobacco manufacturers, puts considerable effort into promoting ‘accommodation’ between smokers and non-smokers, calling for the respect of the wishes of both groups in terms of smoking in public places (<http://philipmorris.com>). It opposes

all-out smoking bans, and calls for and promotes policies such as improved ventilation or separate spaces/rooms. In the workplace, the company advocates that ‘business owners are in the best position to determine the appropriate policy for their business and should be given flexibility in deciding what works for them and their customers and employees’. In the USA, the company has launched an initiative, entitled ‘Options’, aimed at helping ‘business owners, public policy makers and the general public to find effective ways to accommodate everyone’s preferences – non-smokers and smokers alike’.

The company’s focus on accommodation issues with regard to smoking arguably goes a long way towards explaining the subject of its October 1998 EWC joint guideline on workplace smoking policy. As to the EWC taking a role in negotiating this issue, the guideline is (along with the Danone texts) one of the few joint texts to refer to the terms of the company’s EWC agreement in explaining its basis. As seen at the beginning of Chapter 3, the Philip Morris Tobacco EWC accord specifies that the EWC is a forum for promoting ‘a mutual understanding’ between the company and its employees. The guideline states that it seeks to promote such a mutual understanding on smoking in the workplace.

### **Suez Lyonnaise des Eaux**

Lyonnaise des Eaux, a major participant in the merger that created Suez Lyonnaise des Eaux in 1997, had a reputation ‘as a company that took its social responsibilities seriously and was keen to promote social dialogue’ (European Industrial Relations Review, May 2000). It furthermore concluded a relatively early EWC agreement in April 1995, referring to ‘the construction of Social Europe, the development of the activities of Lyonnaise des Eaux within the European Union and the constant wish to promote social dialogue within the enterprise’.

The merged company appears to have continued this reputation, taking considerable trouble to present itself as an ‘ethical’ and ‘responsible’ employer. It has thus adopted a set of charters and other documents setting out its principles and their implementation ([www.suez-lyonnaise-eaux.com/english/valeurs/index.htm](http://www.suez-lyonnaise-eaux.com/english/valeurs/index.htm)). Several of these, as well as the ‘international social charter’ agreed with the EWC itself (see above), are of relevance to its preparedness to enter into social dialogue with employees and their representatives.

- The group’s statement of ‘group values’ includes the value of ‘partnership’, referring among other partners to the ‘social partners’, and stressing ‘labour-management dialogue’.
- The group’s ‘ethics charter’ includes the statement that ‘the group’s growth is a function of the quality of its people. Consequently, a particular effort is made to nurture convivial workplace relations by: protecting the health and safety of its employees and encouraging their professional and personal development through training; rewarding team spirit and employee involvement in the life of the group, in particular by keeping personnel informed of group objectives and challenges; assessing employees above all on the basis of their skills, without discrimination, and in respect for their personal lives; developing an open and constructive dialogue based on mutual confidence.’

A further manifestation of Suez Lyonnaise des Eaux's social commitment is the 'international social observatory', a 'think-tank' involving company management and employee representatives and external participants (such as politicians and trade unionists), which was set up formally in January 2000. This body seeks to debate the impact of globalisation on areas such as social dialogue and the reorganisation of work and its implications for employees.

This management orientation thus arguably created a fertile environment for both innovative relations with the group's EWC and concern with labour and social rights. On the latter point, a further impetus may have been provided by the increasing post-merger expansion of the group beyond Europe and especially into developing countries: some 150,000 of the company's 220,000 employees are now located outside France, while it now has operations in some 120 countries. The international social charter was signed by Suez Lyonnaise des Eaux management and the EWC in October 1998.

## **Vivendi**

Vivendi is another French-based multinational with a strong profile as an 'ethical' and 'responsible' employer. The group's 'values', adopted when it was still called Générale des Eaux prior to 1998, include the statement (own translation) that 'our reputation is based on our spirit of responsibility', and that 'the company is responsible to each of its employees, whether this concerns their employment or their social protection. Each of them has a right to be respected, to benefit from all reasonable provisions to ensure their personal development and to be supported by the company in all situations which they might encounter.' Générale des Eaux also signed a notably early EWC agreement in September 1993 (thought to be the first in its sector), as a means of 'better communicating information to all group staff'. Vivendi now states that 'implementing social goals requires first and foremost dialogue at every level of the company and on every occasion. It is based on respect for union and personnel representatives and information/consultation procedures, while favouring teamwork in an environment of mutual confidence'. (See [www.vivendi.com/en/html/rh/ps\\_discours.cfm](http://www.vivendi.com/en/html/rh/ps_discours.cfm)).

Furthermore, Vivendi has taken initiatives such as concluding a 'European solidarity contract' in November 1999. This contract, signed 'under the sponsorship' of the President of the European Commission, seeks to promote employment, and particularly youth employment, in Vivendi's subsidiaries, in some cases extending policies and initiatives which already existed in its French operations. While not apparently signed by the EWC, the contract states that an annual status report will be presented to the EWC.

On the specific issue of health and safety, the company underlines its commitment to 'the highest possible standards in the area of occupational safety' (see web reference above), and has taken initiatives such as an international conference on health and working conditions within the group, held in October 1998, which led to a commitment to produce a charter on safety at work; creating an occupational safety site on the company intranet; introducing an 'upward information flow mechanism' in order to produce international indicators on the frequency and gravity of



work accidents within the group; and organising a meeting of all group accident prevention coordinators in order to discuss their experiences.

As with Suez Lyonnaise des Eaux, the basis for Vivendi reaching agreement with the EWC in November 1996 on a charter of fundamental social rights thus arguably grew from a history of social commitment and dialogue, accompanied by increasingly global activity (in Asia, the Pacific and Latin America, for example). This latter point was expressly recognised by the company as a factor in signing the 1996 charter: ‘[the group’s] growth strategy includes the objective of generating more than half its net sales in international markets. The charter demonstrates the company’s determination to make sure its expansion is carried out in strict conformity with fundamental social rights, and to involve personnel representatives in this innovative approach’ (Générale des Eaux press release, 25 November 1996). The 1999 workplace safety charter also seems to have grown from the dialogue approach, combined with specific policies in this area.



---

## Chapter 5

## Factors promoting the negotiation of joint texts

The above data on the background and context of the agreements is, given the nature of the research, partial and often one-sided. However, it is arguably sufficient to identify very tentatively a number of common factors which seem to play a part in promoting the negotiation of joint texts by EWCs, despite the fact that each situation was clearly very specific. Table 5 indicates the presence of eight factors in the negotiation of the joint texts at the eight companies in question. The table also indicates the author's view of the importance of the factors in each case.

**Company policy factors** refer to employers' principles, culture, attitudes and policies, either general or specific. It appears that the company's particularly notable and well-publicised overall commitment to social dialogue and social 'responsibility' was a strong factor influencing the conclusion of the joint texts at Danone (perhaps the clearest case), Suez Lyonnaise des Eaux and Vivendi. It was also a factor, though perhaps to a lesser extent, at Deutsche Bank and ENI. Philip Morris Tobacco's specific company policy on promoting the accommodation of smokers and non-smokers seems to have been a strong factor behind its conclusion of a joint text on this issue, while ENI's corporate emphasis on health and safety may have played a part in its agreement to set up an observatory on this subject, just as Vivendi's similar emphasis may have contributed to its 1999 safety charter.

**Company development factors** refer to company change – restructuring of various types and expansion into new countries and 'globalisation'. It appears that a general restructuring process, potentially threatening jobs, was a strong factor behind the conclusion of the Danone 1997 joint understanding and the Deutsche Bank joint position, both of which lay down procedures, principles or policies for dealing with the employment effects of such change. Specific changes

in the company's structure – the spin-off of a division and an alliance with another company – were clearly the central issue behind the conclusion of the joint texts at Ford and GM. The fact that the company was expanding, especially into the developing world, seems to have been a strong factor in creating a perceived need for the social rights charters at Suez Lyonnaise des Eaux and especially Vivendi 1996 (the charters deal either mainly or partly with issues of particular relevance in developing countries, such as child and forced labour). Expansion may also have played a part, although a lesser one, in the background to the Danone and Deutsche Bank joint texts.

**Employee-side factors** recognise the fact that there are two parties to joint texts, and that it is not just the company's attitude or development that dictate whether they are concluded. These factors are considered to exist where there is clear evidence of particularly strong cross-border cooperation between employee representatives and/or trade unions over the issues covered by the joint text, or where the EWC is known to have actively sought joint texts on these issues. A strong factor in the conclusion of the Ford and GM agreements was the high and indeed unprecedented level of transnational coordination among employee representatives and unions (reportedly including industrial action at GM) aimed at agreements providing employees with guarantees on the Visteon spin-off and FIAT alliance. In both cases, the EWC also made strong demands for the conclusion of the joint texts, as did the Deutsche Bank EWC over the joint position on job security.

**Formal EWC factors** link the joint text to the agreement establishing the EWC. The provisions of the Danone EWC agreement on the consultation of the EWC on questions affecting employment and working conditions, along with the fact that the agreement gives the EWC a negotiating role, was a strong factor in the conclusion of the 1997 joint understanding on principles and policies in the event of changes to business activities affecting employment or working conditions. The fact that the Philip Morris Tobacco EWC agreement allows for the parties to reach mutual understandings seems to have played a part in the negotiation of the guideline on smoking policy. Finally, the early establishment of an EWC – defined here as pre-1996, when there were probably under 100 EWCs in existence – might be seen as a factor, if not a strong one, in that such early agreements will have allowed for a lengthier experience of joint EWC work and also arguably demonstrated a particular openness on the part of the company to European-level dialogue in some cases. The companies concerned with such long-standing EWCs are Danone (1987), Vivendi (1993), Suez Lyonnaise des Eaux (1995) and ENI (1995).

The most common factors identified across the eight companies are:

- a company commitment to social dialogue and/or social responsibility (identified as a strong factor in three cases and a weaker one in two cases);
- company restructuring (a strong factor in four cases);
- company expansion/globalisation (a strong factor in two cases and a weaker one in two cases);
- specific EWC demands (a strong factor in three cases); and
- pre-1996 EWC practice or agreement (a weaker factor in four cases).

Taking all eight cases together, company development factors seem to be the most important, followed by company policy factors, employee-side factors and formal EWC factors.

It appears that a number of factors are in play at each company. Danone is the company where the most factors apply (three strong and two weaker), followed by Deutsche Bank (two strong and two weaker) and Ford and GM (both with three strong factors). In all cases apart from Philip Morris, at least three factors apply. This suggests that the dynamics within each company that lead to the conclusion of a joint text are complex, and involve the interplay of different factors of differing strengths. However, two basic scenarios can be postulated.

- Joint texts driven mainly by employee concerns over change. In these cases (Deutsche Bank, Ford and GM), some change in the company sparks concerns among trade unions and/or employee representatives, which then seek some form of agreement with management, sometimes applying pressure of some kind. Management, for whatever reason (maybe partly because of its corporate culture, in the case of Deutsche Bank), ultimately accedes to this demand. This scenario tends to produce joint texts which go beyond the issues with which the EWC in question formally deals (see Chapter 3, *Subjects covered*) and, especially in the case of Ford and GM, tends to produce tightly binding, detailed frameworks for concrete lower-level action (see Chapter 3, *Status of texts*).
- Joint texts driven mainly by management willingness to negotiate. This is not to say that there may not be some employee-side initiative or pressure involved in these instances, but that this is largely a case of ‘pushing at an open door’. In these cases (Suez Lyonnaise des Eaux, Vivendi and to a lesser extent, Danone), the company, motivated by a commitment to social dialogue and/or social responsibility (or a desire to express such a commitment), and often in the context of some change in the company, proposes a joint text or agrees relatively readily to a demand for such a text. The process may be eased by the provisions of the EWC agreement or by a relatively long history of EWC practice. Suez Lyonnaise des Eaux and Vivendi are the clearest examples of this scenario, and their joint texts are ‘charters’: general frameworks for company action, setting out broad principles (although the 1999 Vivendi safety charter is arguably a more concrete document). The case of Danone is less clear-cut, with the employee side (IUF) arguably playing a more active role – although of course management willingness is ultimately the basic requirement for any joint text – and with a number of different types of text emerging, notably some relatively tight frameworks for specific lower-level action.

The cases of ENI and Philip Morris Tobacco do not really fit either scenario, though they probably tend more towards the latter than the former.

It must be stressed again that the above discussion is based on incomplete information and is intended only as a tentative exploration of the issue. Additional factors other than the eight considered above may apply, or one of the eight factors may apply to more companies than is suggested above. Further detailed information would be required on the background to each joint

text to produce a firmer hypothesis about the factors at play. Furthermore, a crucial question is unanswered by the discussion, one which is again unanswerable without further research: Why these companies? Of the 700 or so multinationals with EWCs, the majority are probably undergoing, or have recently undergone, some kind of change (restructuring or expansion/globalisation). A number of these companies probably have some kind of formal commitment to social responsibility (for example, through the codes of conduct which are increasingly common in multinationals – see EWCB, May/June 2000b) and possibly social dialogue, although few, if any, are likely to have gone as far in this direction as Danone. Trade unions and employee representatives organise cross-border cooperation in an increasing number of multinationals (see EWCB, November/December 2000), and some EWCs have definitely sought the conclusion of joint texts. Many EWCs have been in existence for some years, and a few specify a negotiating role for the EWC. Why then have joint texts been negotiated only in the handful of particular companies examined here and not in other multinationals? And if they have not been negotiated in other multinationals, why have they been negotiated in these few companies?

Table 5 Possible factors promoting the conclusion of joint texts

Factor	Danone	Deutsche Bank	ENI	Ford	GM	PM Tobacco	SLdE	Vivendi
<b>Company policy factors</b>								
Company commitment to social dialogue and/or social responsibility	XX	X	X				XX	XX
Specific company policy			X			XX		X
<b>Company development factors</b>								
Company restructuring	XX	XX		XX	XX			
Company globalisation/expansion	X	X					XX	XX
<b>Employee-side factors</b>								
Strong transnational cooperation among employee/union representatives				XX	XX			
Specific EWC demands		XX		XX	XX			
<b>Formal EWC factors</b>								
Terms of the EWC agreement	XX					X		
Pre-1996 EWC practice or agreement	X		X				X	X

Note: X = factor present, XX = strongly influential factor

---


## Chapter 6



## Conclusions

The first and arguably the clearest conclusion is that from the available evidence, the practice of negotiating joint texts in EWCs is extremely rare. The research has found only 22 examples in nine multinationals. Given that there are probably 700 EWCs in existence, this represents only a tiny proportion of the total (little over 1%). Having said that, however, the practice has grown slowly, with two or three new texts apparently concluded each year since 1996. A practice that was once essentially restricted to a single company, Danone, has thus now spread to 10 others, especially among multinationals based in the US and in France, and in the utilities, food/drink/tobacco and motor manufacturing sectors. Furthermore, a significant development in the past year has been the conclusion of texts at GM and especially Ford, which are altogether more substantive than those agreed elsewhere.

The small number of joint texts agreed does not necessarily mean that negotiating activity does not occur in other EWCs. Further research is required to examine this issue, but anecdotal evidence suggests that negotiation does occur in some EWCs, but that it either does not lead to formal written texts or does not lead to texts which are clearly of a joint nature. For example, an expert involved in a number of EWCs, contacted as part of the research, reports that unwritten agreements have been reached in these EWCs on issues such as company policy on employees staying in the firm's hotels (a hotels multinational), employee share options (a food company) and trade union membership (a transport firm). ECF-IUF reports unwritten agreements at Sara Lee DE (USA, food) on job protection, at Compass (UK, catering) on financial participation and at Nestlé (Switzerland, food) on training and equal opportunities. A Unilever EWC representative states that an EWC proposal on employee share-ownership was discussed with management and formed the basis for a company policy, but without this being ascribed joint status by management. According to research conducted by the UK Labour Research

Department on EWCs in the graphical sector (presented at an ETUC conference on EWCs in Paris on 20-21 November 2000), unwritten agreements on pensions, employee share-ownership and the introduction of a new computer system have been reached with the EWC at SCA (Sweden, packaging).

In the introduction, we examined the idea that the ‘Europeanisation’ of industrial relations within multinational companies might result in EWCs becoming the forum for joint opinions or framework agreements on aspects of employment and industrial relations policy, establishing the broad parameters of policy within which negotiations to secure implementation then take place at national or business unit level within the enterprise. As we have seen, frameworks have indeed been agreed at 12 EWCs. A number of these are essentially broad guidelines with little explicit action required at lower levels within the company, but the majority are frameworks for lower-level action, requiring or proposing some form of implementation at national or business unit level. Furthermore, the suggestion that this development might occur in companies in particularly internationally integrated sectors seems to be at least partly borne out by the concentration of the multinationals concerned in industries such as food/drink/tobacco and motor manufacturing.

The possibility was also raised in the introduction that where EWCs do play a role in negotiating joint texts, the employment and industrial relations effects of company restructuring might be a ‘natural’ issue for such negotiations. This is partly borne out by the research, which finds that restructuring is the most common single central theme of the joint texts examined, and it is touched on by a number of other texts dealing centrally with other issues. Furthermore, the research suggests that overall, factors relating to restructuring and other changes within companies are the most common factor promoting the conclusion of joint texts.

Although a significant number of the joint texts do deal with restructuring, they do so in differing ways. Of the four texts examined in detail that have restructuring as their central theme, two deal with restructuring in a general way. The Deutsche Bank joint position sets out a number of principles to apply to company restructuring generally, and provides for dialogue between management and the EWC on a number of specific related issues, essentially relating to preserving employment or mitigating job losses. The Danone 1997 joint understanding also has at its core maintaining jobs and mitigating job losses in restructuring, although in a much more specific way, laying down an extensive and detailed set of principles and policies to be applied at lower levels. Very differently, the Ford and GM texts deal in a specific way with the employment and industrial relations consequences of very particular cases of restructuring – the spin-off of Visteon and the alliance with FIAT respectively – laying down a set of detailed rules to be applied at lower levels.

It is notable that the joint texts do not deal with what might be termed as ‘divisive’ restructuring, where plants in different countries might be set against one another through closures, relocation or competition for investment. Spin-offs and alliances are, in comparison, relatively lacking in potential for division and competition between different national workforces. It has been

suggested, in the motor manufacturing industry at least, that trade unions have not been successful in using EWCs to generate common positions and thereby constrain competition between plants in the face of coordinated management initiatives to secure concessions in working practices and conditions. (GM Europe is a case in point.) Indeed, employee representatives, it is claimed, tend to use EWCs to further local interests within the multinationals' internal competition regimes (see Hanké, 2000). The fact that the joint texts on restructuring do not deal with such cases means that they provide no evidence to the contrary.

The research indicates that the circumstances which lead to the conclusion of a joint text by an EWC involve the complex interplay of a number of different factors. The very specific nature of these factors and of their combination make it difficult to assess the extent to which the practice is likely to become widespread. The fact that there is such a small number of joint texts at present suggests that the correct combination of the right factors is a rare event.

Arguably, the key factor is the willingness of the parties to negotiate. On the employer side all the evidence suggests that such willingness is in short supply, as evidenced by the prohibition of a negotiating role in a number of EWC agreements, and the widespread provision that EWCs may not consider issues which are the subject of consultation or negotiation at national or local levels. Fears of EWCs developing a negotiating role have often been cited as a key management concern about their introduction. The clear willingness to negotiate with an EWC expressed by a company like Danone is very rare indeed. Nevertheless, joint texts have been negotiated at companies with no known history of any openness to such a development (e.g. Deutsche Bank, Ford and GM). The key factors here seem to be the appearance of an issue which it makes sense to deal with at European level, and persistent pressure from the employee side to do so. Certain aspects of restructuring seem to fit this bill, and the continuing wave of mergers, acquisitions and the like may mean that joint texts on these matters may become more common. The growing tendency for multinationals to adopt a code of corporate conduct, and in some cases to perceive a need to give this code the extra validation of agreement with employee representatives (an EWC, in the case of Suez Lyonnaise des Eaux and Vivendi) may also promote the spread of EWC joint texts. A further growth factor may be the tendency, noted in the introduction, for the more internationally integrated multinational companies to hold regular international meetings of personnel and/or industrial relations managers which lay down guidelines for local management on policy matters. Such Europe-wide policies might be seen in some circumstance as an appropriate subject for a joint EWC text (the guideline on workplace smoking policies at Philip Morris Tobacco may be an example of this approach). When the circumstances are right, it appears that some employers will negotiate with their EWC, and in these cases, formal considerations about whether the EWC agreement provides for such negotiations, or covers the issues negotiated, may go out of the window.

On the employee side, it is not known to what extent EWCs are actively willing to negotiate joint texts, although some certainly are. There is, however, evidence that many EWC members do want EWCs to take on a bargaining role. The preliminary findings of a recent survey of over 400 employee EWC representatives from Germany, Ireland, the Netherlands and the UK (conducted

by Jeremy Waddington of UMIST and the European Trade Union Institute, and presented at the above-mentioned November 2000 ETUC conference) asked what issues the representatives would like to see included in a revision of the EWCs Directive. Some 84% of respondents either strongly agreed or agreed with the idea that EWCs should be given bargaining rights.

Among trade unions, views differ. While some international organisations, such as IUF and EMF, clearly promote such a development, and have been willing to sign joint texts, national unions are thought by some commentators to be more reluctant to cede authority in this area to the EWC level. Furthermore, ETUC has not included a bargaining role for EWCs in its current proposals for the revision of the EWCs Directive (see Chapter 1, *Company restructuring*). However, as with management, it seems that when the appropriate circumstances arise (such as the restructuring at Ford and GM), national unions may see an advantage in an EWC joint text. As the 'Europeanisation' of industrial relations progresses, the division between national and European levels of unions and employee representation may weaken, reducing resistance to EWC-level negotiations. Furthermore, if management policy and action is taking on an increasingly European scale, European-level response and regulation may appeal more to unions and employee representatives.

Finally, we turn to the question of whether the negotiating activity in EWCs described in this report can be seen as a form of European-level collective bargaining. The first point to make is that none of the texts have the legal status which a collective agreement has in the laws of many European countries (this may require an agreement to take a certain form or cover certain topics, to be signed by certain parties, to be registered with certain authorities and so on). Second, it can be argued that in the industrial relations systems of most European countries, a collective agreement – at least at company level – is generally understood to deal with employees' terms and conditions of employment and with associated matters such as training, health and safety, job security, equal opportunities or representation arrangements and other procedural matters; to contain specific provisions relating to these terms and conditions and associated matters; and to have concrete consequences for the parties' subsequent actions. Comparing the joint texts with these features of collective agreements, we find that:

- They certainly deal with topics similar to those covered by collective agreements, such as the information, consultation or participation of employee or trade union representatives, training, trade union rights, equal opportunities, employment or bargaining arrangements. However, the issues which are at the core of most collective agreements – actual working conditions, such as working time, and most of all, pay – are dealt with very rarely by the EWC joint texts, and then usually only very indirectly;
- They generally lay down principles, policies and plans of action rather than any more specific and direct provisions which affect employment conditions or associated matters. There are, however, a few exceptions, where texts set out a specific set of rules to be applied.

- Many of the texts are frameworks for future action, by the signatories or at a lower level, rather than having any substantive effect in themselves. Where some specific action is provided for at lower level, this is generally either voluntary or there is appreciable latitude in implementation (within the principles, policies and rules laid down).

Thus, if the negotiation of joint texts can be described as a form of ‘Euro-bargaining’, this is in almost all cases a kind of bargaining quite unlike that which is normal at national level. It is largely concerned with principles and policies rather than substantive issues, and with providing a framework for future action (which is not always obligatory) rather than having a direct effect in itself. The issues on which it focuses are very rarely those relating to core pay and conditions which are the mainstay of much national bargaining.

However, it should be noted that two recent EWC joint texts differ from this model. The GM and especially the Ford texts are far more concrete in their contents and effects, allow for little latitude within their frameworks and deal with core employment conditions and industrial relations arrangements. The working lives of thousands of employees will be affected directly and substantially by their provisions. They thus resemble collective agreements more closely than the other texts (indeed the Ford agreement, according to the EWC, has been given legal effect by national agreements in the plants/countries concerned). Any further development of joint texts like those at Ford and GM might start to raise the prospect of a form of ‘Euro-bargaining’ more recognisable as bargaining as it is understood at national level. EMF certainly seems keen for such a development to occur, seeing the Ford agreement as a ‘benchmark’ for a possible negotiating role for EWCs (according to Reinhard Kühlmann, EMF general secretary, speaking at the above-mentioned November 2000 ETUC conference).

The negotiation of joint texts by EWCs is a very restricted, if growing, phenomenon. However, the issues it raises are of considerable importance, and further research would be valuable, including a wider and more systematic investigation of the extent of the practice; an in-depth case-study examination of the circumstances in which the joint texts were concluded, the views of the parties involved, and the implementation and effects of the texts; and a study of bargaining activity in EWCs that does not lead to formal joint texts.

## Postscript

After the main body of this report was completed, a further important joint text was agreed at General Motors (GM). On 5 March 2001, management and employee representatives on the GM Europe European Works Council (the European Employee Forum – EEF) signed a framework agreement on the company’s current restructuring initiatives (see EWCB, May/June 2001).

In December 2000, GM had announced a restructuring programme which involved a workforce reduction of 10,000 worldwide, with 6,000 job losses in Europe. Car production was to be terminated at the Vauxhall plant at Luton in the UK with the loss of 2,000 jobs. The employee representatives on the EWC claimed that the job losses at Luton breached an existing employment security agreement, and that the information provided to the EWC was neither

timely nor complete. The EWC, along with the European Metalworkers' Federation (EMF), called a 'GM action day' on 25 January 2001 to support its demands for no plant closures, job protection at Luton and other European sites and immediate negotiations with management. According to EMF, the action day saw over 40,000 GM employees in Europe stopping work to take part in the protest and demonstrations.

Negotiations subsequently began between management and the employee representatives on the EWC over the restructuring plans, with EMF seeking 'a framework agreement which will result in suspension of the plant closures and mass redundancies and support for an innovatory offensive for GM products in Europe'. A framework agreement was subsequently reached in March, stating that 'it is the primary goal of management and employee representatives to institute actions that focus on the support of our employees and their futures. The placement of the people as well as the maintenance and securing of remaining business is of utmost concern.' The framework agreement provides the following:

- Management will avoid forced redundancies in relation to the current restructuring initiatives and will take 'all reasonable steps' to do so, which may include part-time work programmes, transfers to other national and international GM locations, 'voluntary separation' programmes and early retirement programmes. If necessary, and after all openings are filled, career opportunities and placement outside of GM will be assisted.
- These efforts to place workers in 'reasonable positions' will require an 'increased willingness of employees with regard to mobility and flexibility' in terms of the location of work and working time and practices. The rights set out in the agreement apply only to employees who are willing to accept 'reasonable job offers' or, in the event of insufficient job opportunities, one of the alternatives set out in the framework. Management will give employee representatives the opportunity to discuss the situation with individual employees who may be adversely affected.
- The required numbers of employees are to be placed in facilities that have 'urgent start-up needs and requirements due to market conditions'. GM Europe, along with its national organisations, will continue to pursue new business opportunities for its sites, on the basis of competitiveness.
- Where employees are transferred under the terms of the agreement, this will be handled according to national legislation. It is 'the intention that employees will not be disadvantaged', although 'the total packages may vary from case to case', and details are subject to local negotiations.
- At local level, existing union recognition will remain unchanged, while EU-level representation will remain unchanged during the current term of office. Current collective agreements will be the subject of local/national negotiations. Information on the restructuring measures will be shared at national level with appropriate employee representatives. The EEF will continue to be the appropriate forum to discuss the restructuring where it has transnational implications.
- Vehicle production will be maintained in Luton. The agreement gives details of the relevant vehicles and capacity. It also provides for management to pursue new business opportunities

for the Luton site, investigate further job opportunities and ‘pursue location of suppliers and other non-GM business opportunities’.

- The Ellesmere Port plant in the UK will produce specific models, with a specific capacity (as previously stated).

The framework agreement will be implemented through agreements at national level and ‘according to European legislation and national laws management and employee representatives will ensure that the agreed provisions will become legally binding for individual employees as well as negotiating partners’.

The figures given in the agreement for the capacity of the Luton and Ellesmere Port plants are based on the current GM Europe business plan. These figures ‘will not change management’s objective to flexibly balance its European production schedules among all plants’. Furthermore, if in future ‘further exceptional negative economic conditions occur’, which will mean a ‘reconsideration’ of the agreement’s provisions on production at Luton and Ellesmere Port, ‘information and consultation will be instituted’.

The March 2001 GM framework agreement is a further example (following the earlier GM framework and Ford Visteon deal) of a ‘collective agreement-like’ EWC joint text. Indeed it is arguably the most substantive such joint text yet concluded and appears to have played a major part in resolving a Europe-wide industrial dispute.

In terms of the categories used earlier in this report, the latest GM framework agreement provides for a concrete set of rules to be applied in specific circumstances; and a framework for lower-level action, which appears to provide for relatively little lower-level leeway in the application of its provisions, and is to be given legal effect through subsequent national agreements. It deals centrally with company restructuring and refers to most of the key issues dealt with in many previous EWC joint texts, such as the information, consultation or participation of employee or trade union representatives; the company’s employment levels or employment policy; collective bargaining; working time arrangements; and employment status or contracts. Unusually, it also covers matters such as the location and volume of production, early retirement, redeployment, outplacement, and labour mobility and flexibility.

The conclusion of the agreement appears to owe most to ‘company development factors’ (restructuring) and ‘employee-side factors’ (particularly strong cross-border cooperation between employee representatives and/or trade unions – including cross-Europe industrial action – and active EWC demands for a joint text on the issue in question).

Finally, as this report was being prepared for publication, two further cases of EWCs concluding joint texts came to light. The management and EWC at Air France signed a ‘social charter and code of ethics’ in June 2001, having previously agreed two joint opinions, on staff mobility and the position of sales staff. In the same month, a joint declaration on subcontracting was concluded by the EWC and management at Club Méditerranée.



---


## References

Carley, M. and Marginson, P., European Foundation for the Improvement of Living and Working Conditions (European Commission co-publication), *Negotiating EWCs under the Directive: a comparative study of Article 6 and Article 13 agreements*, Luxembourg, Office for Official Publications of the European Communities, 2000.

ETUC, 'EWC and merger of undertakings,' Working Paper No. 26, second version, November 2000.

European Industrial Relations Review, 'Social observatory established,' 316, May 2000.

European Works Councils Bulletin, 'Euro-bargaining at Danone,' Issue 3, May/June 1996.

European Works Councils Bulletin, 'Restructuring prompts calls for tougher EU consultation rules,' Issue 27, May/June 2000a.

European Works Councils Bulletin, 'Codes of corporate conduct and industrial relations – Part one,' Issue 27, May/June 2000b.

European Works Councils Bulletin, 'Codes of corporate conduct and industrial relations – Part two,' Issue 28, July/August 2000.

European Works Councils Bulletin, 'Freudenberg signs global agreement,' Issue 29, September/October 2000.

European Works Councils Bulletin, 'Trade union councils and networks in multinationals – Part one,' Issue 30, November/December 2000.

European Works Councils Bulletin, 'GM deals highlights EWCs' negotiating role,' Issue 33, May/June 2001.

Hanké, B., 'European Works Councils and industrial restructuring in the European motor industry,' *European Journal of Industrial Relations*, Vol. 6, No. 1, March 2000.

Hermann, W., 'Deutsche Bank backs participation,' *Die Mitbestimmung*, English-language edition, 8/2000.

Lecher, W., Nagel, B. and Platzer, H-W., *The Establishment of European Works Councils: from information committee to social actor*, Ashgate, 1999.

Marginson, P., Gilman, M., Jacobi, O. and Krieger, H, European Foundation for the Improvement of Living and Working Conditions (European Commission co-publication), *Negotiating European Works Councils: an analysis of agreements under Article 13*, Luxembourg, Office for Official Publications of the European Communities, 1998.

Marginson, P. and Sisson, K., 'EWCs – Opening the door to European bargaining?', *European Works Councils Bulletin*, Issue 1, January/February 1996.

Marginson, P. and Sisson, K., 'European collective bargaining: a virtual prospect,' *Journal of Common Market Studies*, December 1998.

UNCTAD, *World Investment Report 2000: 'Cross-border mergers and acquisitions and development*,' October 2000.

#### **Other foundation publications on European Works Councils**

Publications which are not free of charge can be ordered from the Office for Official Publications of the European Communities and their sales network. For further details please see <http://eur-op.eu.int/general/en/s-ad.htm>

Bonneton, P., Carley, M., Hall, M., and Krieger, H., *Review of Current Agreements on Information and Consultation in European Multinationals*, Luxembourg, Office for Official Publications of the European Communities, 1996.

Cat. No. SY-94-96-704-\* -C

EUR 16.50

Available in DE, ES, EN, FR, IT.

Carley, M., *A Review of Negotiating European Works Councils: a comparative study of Article 6 and Article 13 agreements*, 2000.

EF/00/77/EN

Available on the Foundation website at [www.eurofound.ie](http://www.eurofound.ie)

Carley, M., Geissler, S., and Krieger, H., *European Works Councils in Focus – The Contents of Voluntary Agreements on European Information and Consultation: Preliminary Findings of an Analysis of 111 Agreements*, 1996.

WP/96/65/EN

Available free of charge on request

Available in EN only.

Geissler, S., *Current Agreements on Information and Consultation in European Multinationals – Volume II – 40 Additional Agreements* (1996).

WP/96/61/EN

Available free of charge on request

Available in DE, ES, EN, FR, IT.

Geissler, S., *Current Agreements in Information and Consultation in European Multinationals – Volume III – 30 additional agreements*, 1997.

WP/97/08/EN

Available free of charge on request

Available in DE, EN, FR.

Geissler, S., *Current Agreements in Information and Consultation in European Multinationals – Volume IV – 40 additional agreements*, 1997.

WP/97/30/EN

Available free of charge on request

Available in EN only.

### **European Works Councils agreements online**

The database contains information on the provisions of the agreements establishing European Works Councils, including 386 agreements concluded under Article 13 of the Directive on EWCs and 71 agreements concluded under Article 6.

<http://www.eurofound.ie/ewc/index.shtml>

For further information on the Foundation's EWC project and related publications, please contact:

Camilla Galli da Bino

Information Liaison Officer

Tel: 00 353 1 2043125

Fax: 00 353 1 2826456

e-mail: [gdb@eurofound.ie](mailto:gdb@eurofound.ie)



---


Appendix



Joint texts negotiated by EWCs

*Note: This Appendix contains the English translations of original texts which were supplied by the source companies and these texts have not been submitted to the standard Foundation editorial procedures.*

## **Air France**

### **Social charter and code of ethics**

#### *Preamble*

The Air France Group and the Air France European Works Council (CGEAF) have agreed upon the fundamental rights and values that form the foundation for the identity of Air France and orient its human resources policies and social ethics. These values and rights, the pledge of cohesion in labour relations and in economic and cultural affairs, are deemed indispensable for the participation of all in the growth of the company.

The object of this charter is to favour an improved atmosphere of confidence and mutual respect in a working environment where all forms of discrimination and harassment are prohibited. The development of a good working environment, which will encourage the company's commercial and economic efficiency, is beneficial to everyone and is conducive to social progress. It requires continuous effort and the cooperation of all.

#### *1. Fundamental rights*

Air France declares its adherence to the fundamental rights and principles defined in the United Nations' Declaration of Human Rights and the European Union's Charter of Fundamental Rights. These values are as much indivisible as universal, pertaining to human dignity, liberty, equality and solidarity.

## *2. Respect of social rights*

Air France undertakes to promote and respect the Conventions of the International Labour Organisation\* and its Declaration on the Principles and Fundamental Rights of Work as well as the social charters adopted by the European Community and the Council of Europe. Air France considers these rights necessary for the unimpeded improvement of individual and collective working conditions.

In consequence of which:

- Air France is dedicated to combating child labour and the exploitation of children and to facilitating access to the workplace for disabled persons.
- Air France pledges to respect, at the very minimum, national and European Community labour legislation as well as the collective bargaining agreements of every country in which it operates.
- Air France pledges to respect the active exercise of union rights of each country concerned.

## *3. Health, safety and dignity in the workplace*

Every Air France employee has the right to working conditions compliant with his or her health, personal safety and dignity.

All precautionary measures in favour of health and safety in the workplace and the improvement of such are given the highest priority by Air France. They will be enforced and honoured within the framework of existing institutions.

## *4. Job security, wages and working hours*

Air France undertakes to ensure security and stability of employment.

Salary and benefits will meet, at the very least, the legal and collective bargaining standards of the country concerned.

The duration of the workweek will comply with national legislation and pertinent collective and individual agreements of each country concerned.

In order to ensure a good understanding of mutual responsibilities between employer and employee, the contract of employment shall be drafted in the languages of the country concerned.

## *5. Responsible social dialogue*

Air France advocates the development of a meaningful social dialogue and working relations based on trustworthiness at all levels of its organisation. The objective is to confirm and improve upon the contractual processes at the most appropriate levels, while respecting in full the institutions of staff representation in each country.

Air France will therefore supply information and the means for consultation to staff or their representatives in sufficient time for treatment of the matter at hand.

*6. Profit sharing*

A lasting and equitable development of the company is indispensable in order to maintain quality and safety in transportation of passengers and freight. All staff contribute at great length to this development and deserve a just return. Air France satisfies this obligation through various forms of financial participation and benefits for workers.

*7. Mobility*

Free movement of staff is a political imperative, both in the interest of the employee and of the company. Air France resolves to actively create solutions to any obstacle to mobility in order to ensure more efficient treatment and permit more employees to benefit in full respect of their contract.

*8. Training*

Professional training of staff is an important investment and has high priority at Air France. It is deemed indispensable that sufficient resources for training and its continuous adaptation be put in place in order to reinforce the occupational versatility of employees.

*9. Equality*

Equality of prospects shall be promoted. In this respect, Air France will not practise discrimination in any form, whether sexual or racial; based on skin colour, social or ethnic origin; by religion, creed, political or union opinion; or through birth, disability, age or sexual orientation.

Equality between men and women in matters of employment, occupation and wages must be ensured.

*10. Subcontracting*

Air France will vigilantly endeavour to ensure that the fundamental principles of labour and workers' rights be respected by the companies retained by it to perform duties as a handling agent or subcontractor.

*11. Implementation*

General management for the Groupe Air France and the European Works Council (CGEAF) of Air France will safeguard the implementation of this social charter. The practical supervision of it will be delegated to the board of the CGEAF in concert with and not superseding the institutions of staff representation in all countries having Air France employees. In this context, the board will have the authority to alert concerned staff and management representatives when necessary to guarantee the implementation of this charter. A progress report on the implementation of the charter will be placed on the agenda of the CGEAF's annual meeting.

*12. Distribution*

The present social charter will be distributed to all employees of the Air France Group.

*25 June 2001*

*Signed by the president of Air France, the general secretary of the European Transport Workers' Federation and the secretary of the CGEAF*

\* In particular:

- Freedom of association and protection of the right to organise; right to collective bargaining (Conventions 87 and 98).
- Abolition of discrimination in employment and occupation; equal remuneration (Conventions 100 and 111).
- Elimination of child labour (Conventions 138 and 182).
- Abolition of forced labour (Conventions 29 and 105).



## Club Méditerranée

### Joint declaration on subcontracting

Each year, as part of its regular activities, the Club Méditerranée Group's European Social Dialogue Committee brings together employee representatives from all the EU countries where it has establishments.

At these meetings, representatives from certain countries have voiced their concerns regarding the trend towards subcontracting in Club Med villages.

At the meeting held on Thursday, 7 June 2001, after a discussion, Club Med's management and members of the European Social Dialogue Committee decided to issue the following joint declaration regarding Club Med villages located within the European Union:

- As and when necessary, Club Méditerranée companies call upon the services of subcontractors with special skills and know-how.
- The terms under which subcontractors are hired fully comply with social legislation and collective agreements concluded in the country in question. In this way, both the employees of Club Méditerranée companies and subcontracted workers are protected in each country.
- Club Méditerranée ensures that the subcontracting companies hired by Club Méditerranée establishments undertake to respect the company agreements and collective agreements applicable to them, where such agreements exist, and also comply with the regulations governing social security, particularly the fundamental principles and rights at work as provided for in the ILO declaration of 18 June 1998.
- Staff representatives from all the villages concerned can refer matters associated with prevailing social conditions in outsourced activities to the management of the village or the respective national Club Méditerranée management with a view to indicating any issue or difficulty relating to the respecting of the aforementioned principles.

Club Méditerranée's management undertakes to ensure that any recourse to subcontractors is in line with the moral code governing respect for individuals and laws as well as the customs of the host country.

*Signed by central management and the European Social Dialogue Committee on 19 June 2001*

## Danone

### Common viewpoint BSN/IUF

Following the work achieved by the IUF's affiliates and the management of the BSN group during several meetings, the two parties agree that it is necessary to develop various coordinated initiatives to promote in BSN establishments, taking into account national legislation and collective agreements:

- A policy for training for skills in order to anticipate the consequences of the introduction of new technologies or industrial restructuring. To achieve this objective, the social partners will seek to integrate this aspect into present and future plans for training.
- A policy aiming to achieve the same level and the same quality of information, both in the economic and the social fields, in all locations of BSN subsidiaries. To achieve this objective, the social partners concerned will seek, both through national legislation as well as collective agreement, to reduce the differences observed in terms of information between one country and another or between one location and another.
- The development of conditions to assure real equality between men and women at work. Developing jobs and work processes have led to distortions between the situation of men and women; the social partners will therefore evaluate, location by location, the nature of the different initiatives to be adopted to improve the situation.
- The implementation of trade union rights as defined in ILO Conventions Nos. 87, 98 and 135. The social partners concerned will identify where progress can be made in improving trade union rights and access to trade union education.

These basic principles are not exclusive; they represent the themes on which the management of BSN and the affiliates of the IUF have decided to jointly work.

*Geneva, 23 August, 1988*

*For BSN, Director of Human Resources, Antoine Martin*

*For the IUF, General Secretary, Dan Gallin*

### Plan for economic and social information in companies of the BSN group

This document is a list of the minimum of information required by workers and their representatives in order to understand the economic and social well-being of their division.

This form should therefore not be filled in: the content, form and frequency (at least once a year) of the information must be adapted to the conditions prevailing in each company.

Workers and their representatives must be fully aware that some of the information is of a strictly confidential nature.



*Economic information*

Commercial data:

- Market: the company’s position and development trends
- Volume of sales (tons or hectolitres) by product type
- Export sales (including internal group sales)
- Total of ‘new products’ launched in the two preceding years.

Financial data:

Net sales

- Operating income
- According to the accounting practices of the country in question, the division will select indicators to give an indication of their financial situation (cashflow, net profit, etc.)
- Total value of industrial investment
- Total expenditure on advertising
- Research expenditure
- Where applicable, total amount paid in shares and profit-sharing schemes.

*Social information*

- Average monthly permanent workforce for the year 198-

	Production*	Clerical*	Managerial	Total
Men grouped by:				
- age				
- seniority				
Women grouped by:				
- age				
- seniority				
Total grouped by:				
- age				
- seniority				

\* Using in each case the socio-occupational categories specific to the division to differentiate where possible between skilled and unskilled workers.

- Average occasional workforce for 198- in full-time equivalents

	Production*		Clerical*		Managerial		Total	
	M	W	M	W	M	W	M	W
Fixed-term and seasonal contracts								
Temporary								
Special youth contracts								
Total								

\* Using in each case the socio-occupational categories specific to the division to differentiate where possible between skilled and unskilled workers.

Wages and social contributions:

- Total wage costs
- Total social contributions
- Breakdown of clerical/production workers' wages
- List of contributions (with basis of calculation) paid by the employer for production/clerical workers.

Working hours:

- Contractual number of working hours in the year 198-
- Total number of hours worked in 198- including hours in overtime
- Absentee rate
- Number of part-time employees
- In the case of shiftwork or irregular hours: all precise indications of the number of employees concerned, the hours worked, hours of night or weekend work, etc.

Safety:

- Frequency: Number of accidents with work stoppage x 1,000,000 number of hours worked
- Severity: Number of days lost x 1,000 number of hours worked
- Number of fatal accidents
- Contributions paid to cover industrial accidents
- Steps taken (and their cost) to improve working conditions.

New technologies:

- Foreseeable consequences for the organisation of work and jobs
- Action programmes planned

Training:

- Total expenditure on training
  - by the company
  - through outside subsidies
  - total amount devoted to training
- Number of hours of training

	Production*	Clerical*	Managerial	Total
Men				
Women				
Total				

\* Using in each case the socio-occupational categories specific to the division to differentiate where possible between skilled and unskilled workers.

- Percentage of hours of training provided by outside agencies
- Summary of training schemes (retraining in another skill, reclassification within or outside the company).

Paris, 26 September 1989

Signed by representatives of BSN and IUF



## **Action programme for the promotion of equality of men and women at the workplace**

In order to increase occupational equality between men and women within divisions of the BSN group, it has been decided to develop coordinated initiatives to this end, taking due account of legislation in force in the various countries and of provisions in existing collective agreements.

The first stage of this process will be to conduct, in each division of the BSN group, a series of analyses of existing inequalities.

It is desirable, local conditions permitting, that this study be conducted by a working group consisting of management, staff representatives and/or union delegates. This group may be an already existing structure (e.g. a subcommittee of a works council).

A plan of action on priorities will subsequently be drawn up with deadlines for implementation and procedures for follow-up.

If the plan has not been drawn up jointly by management and union organisations, personnel representatives must be kept regularly informed of developments in this area.

An interim progress report will be made during the first half of 1990, and a final evaluation of concrete achievements should follow in the first half of 1991.

*Paris, 26 September 1989*

*Signed by representatives of BSN and IUF*

### ***Plan for application of action programme:***

All BSN personnel must be informed of the commitment to promote equality. Different methods may be used according to the particular situation of the subsidiary. The aim is to publicise these methods.

IUF teams will coordinate their actions, to ensure that the situation is analysed by a team within the enterprise. These may be ad hoc, or already existing structures. It is imperative that each team comprise women workers.

#### **Analysis:**

The object of this phase is to identify inequalities, seek out their causes within or outside the enterprise, workplace or social group, or at the individual level.

At the same time, workers will be asked for their suggestions regarding this analysis. Finally, conclusions and recommended priorities will be drawn up.

Definition of agreed priorities, aims and deadlines. Programme implementation.

Follow-up and evaluation:

The follow-up and evaluation of ongoing actions should facilitate modifications, where necessary. Workers will be informed of the results of the assessment at company level. The BSN-IUF working group will produce a report of the year 1990 and a general evaluation in 1991.

### **BSN-IUF framework agreement on skills training**

In order to develop skills training within each subsidiary into employment contracts, it was agreed to develop coordinated initiatives while taking into account national legislation and collective agreements:

- First, there will be planning studies concerning modernisation, jobs and training needs in each unit, taking into account the specific characteristics of that particular division of BSN.
- In the case of restructuring, the planning studies and training programmes should take account of the local possibilities for skill conversion to avoid the economic decline of the regions concerned.
- Action will be taken to make workers aware of the importance of training for their own future.
- Before training begins, workers will be entitled to an individual skills audit, the basic components of which will be negotiated with the trade unions.
- Faced with foreseeable changes, skills training should give particular priority to the least qualified personnel so that they will be employable. Training could also be preceded by training in language skills.
- Skills training should take into account the wishes and needs of the company and the workers (geographic and/or professional mobility within the subsidiary and within the entire BSN group). Positions available within the BSN group in the same country will be made known to those in other divisions and offered in priority to those workers.
- Training must lead to the achievement of a qualification which gives workers involved certificates which allow them to show the value of their new skills either by recognised diplomas or, if not possible, by certificates which are recognised in all BSN divisions.

Particular attention will be paid to the conditions under which training is carried out in order that the workers are not penalised financially for taking part (lost wages and payment of the costs of training).

This framework agreement will be put into practice in the subsidiaries through a programme of action and a schedule of implementation developed under the joint responsibility of the management and the trade unions.

This programme will be subjected to a joint follow-up and evaluation which provides information to the workers' representatives.

The first evaluation of this framework agreement will be made during 1993.

*Geneva, 14 April 1992*



## IUF-BSN joint declaration on trade union rights

BSN and the IUF:

- recalling the fundamental right of each employee to be represented and defended by the trade union organisation of her/his choice;
- affirming that the counterweight represented by the trade union organisations contributes to the respect of the needs and aspirations of the workforce by company executives;
- mutually recognising the legitimacy of each party and their right to participate in the social as well as economic spheres, each mindful of their respective responsibilities as far as these conform with laws, collective agreements or other contractual agreement in effect;
- are convinced that reinforcing democratic forms of cooperation in the enterprise is the responsibility of both parties, and that this implies the recognition of divergent approaches and differences in judgment as well as the search for negotiated solutions;
- note that achieving this objective requires efforts to provide economic and social education and information to the entire workforce as well as their representatives to better understand the problems, the limitations faced by the company, and what it has at stake.

In this spirit, BSN and the IUF undertake to:

1. Monitor proper compliance throughout all BSN subsidiaries with ILO Conventions 87, 98 and 135, which concern respectively:

- the right of all employees to join the trade union organisation of their choice;
- the right of all workers to be free from any act of discrimination leading to the restriction of trade union rights;
- the protection of all workers' representatives from all prejudicial measures, including firing, resulting from their status or activity as representatives of the workforce in accordance with the law, collective agreements, or other forms of contractual agreement in effect;

2. Encourage management and trade unions to negotiate agreements (concerning trade union rights), where possible for fixed durations, and to seek to publicise these agreements among the workforce to the widest possible extent;

3. Encourage management and employee representatives to negotiate and conclude agreements seeking to ensure that trade union and employee representatives benefit, with comparable ability, from the same opportunities of access to training, salary progression and promotion as other employees, and that the remainder of their professional development is taken care of when they decide to stand down from office.

Within the continuity of the BSN/IUF framework agreements (equality of men and women, economic and social information, vocational training), BSN and the IUF confirm that the process of informing and educating trade union and worker representatives should develop within each BSN subsidiary with the goal of ensuring effective implementation.

A first review of the implementation of this declaration will be undertaken in a concerted way during the plenary meeting in 1995.

*Geneva, 25 May 1994*

*For the IUF, Dan Gallin, General Secretary*

*For BSN, Philippe Lenain, Deputy General Director.*

### **Joint understanding in the event of changes in business activities affecting employment or working conditions**

This joint understanding defines the modalities for the putting into effect of the provisions of the protocol agreement for the constitution of the Danone information and consultation committee on questions affecting employment and working conditions.

The French text is to be considered the reference text.

Further to the initial agreement between the IUF and Danone, and to subsequent joint plans, action programmes and declarations, this understanding has as its purpose to introduce additional provisions beyond those already in existence within the companies of Danone group, applicable in the event that new techniques, organisational processes are implemented, or in the case of substantial changes in production volume, transferral of substantial part of production, partial or full closings of facilities and, in general, in all situations whereby working conditions or the nature of employment contracts are significantly affected.

The local management of Danone companies and the trade unions – or in their absence employee representatives – are now responsible for translating the general principles outlined below into practical provisions. Those provisions should under no circumstances be substituted for more favourable clauses existing at Danone.

#### *1. Training*

The Danone information and consultation committee considers that the development of employee skills through training, as part of a future-oriented personnel management approach, is a primary tool for protecting current jobs by preparing for coming technological or economic developments.

The Danone information and consultation committee calls upon labour and management to implement locally the provisions of the IUF-Danone action programme of September 1989 on equality of men and women at the workplace, and the agreement of April 1992 on skills training, keeping in mind the following basic principles:

- in the event of major changes in working conditions or in business activities causing the suppression of jobs, employees concerned should be entitled to receive training for the

purpose of helping them find occupation either within the companies of Danone Group or elsewhere;

- the terms and conditions of training programmes (duration, cost, objectives) shall at least be communicated to the trade unions concerned or, in their absence, to employee representatives;
- management shall see to it that employees are not required to incur expenses in connection with training; any outlays in this connection are to be underwritten by management.

## *2. Consultation*

Subject to legal and statutory provisions in effect in the country concerned, the management of subsidiaries or facilities undertakes to consult with unions representing their employees, or in their absence with employee representatives. The following shall be applicable to consultations:

- consultations should take place as early as possible, and no later than three months prior to the expected changes, whenever said changes concern a significant number of jobs (partial or total closing);
- unions or employee representatives should be provided material in support of management's decision, stating the goals and reasons for it;
- management should clearly indicate the consequences for employees of its decision, in terms of changes in employment contracts or working conditions, or of job cut-backs;
- the transfer of employees affected by the decisions to other positions within the companies of the Danone group should be examined prior to any other measure being considered; to the extent that it is feasible, jobs to which employees are transferred should be located in the same vicinity;
- consultations should provide a venue for trade unions – or, in their absence, for employee representatives – to submit proposals as alternatives to plans by management (redistribution and shortening of working hours, reductions in overtime, etc). Unions shall have the option of being assisted in this task. Management should examine and respond to proposals reasonably promptly (within one month at most) and defend its decisions before the concerned bodies;
- permanent jobs should be considered the priority. Cut-backs should first be made among all other type of jobs (temporary, subcontracting) in order to protect permanent positions.

## *3. Placement assistance*

A specific structure shall be set up whenever a management decision results in job losses. Its task shall be to help employees having lost their job find positions corresponding to their qualifications, skills, pay level, working conditions and place of residence. The structure shall be created at the time of management's decision, subject to applicable legal provisions, and may remain in existence after the implementation of said decision.

Trade unions – or, in their absence, employee representatives, shall be entitled to participate in the monitoring of placement activities.

Management, aware of the economic repercussions for communities where jobs are being eliminated, shall propose to support efforts aimed at creating new jobs and stimulating economic development through measures designed to promote the development and growth of local business firms. Such support may, if appropriate, be given jointly with local government authorities. It may consist of various measures, such as consulting services, market or feasibility studies and possibly financial assistance.

*4. Trade union rights*

In the event of the partial or full closing of a facility, delegates of unions representing its employees may be granted time off with pay in order to perform their duties, if applicable regulations or agreement do not already call for it. Extraordinary time off with pay shall be negotiated with management at the local level.

*Paris, 9 May 1997*

*For Groupe Danone, the Chairman, Franck Riboud*

*For IUF, the General Secretary, Ron Oswald.*



## Deutsche Bank

### **Joint position: New structures, job security and employability in Deutsche Bank Group**

The Euro Staff Council (ESC) appreciates the need for strategic changes in Deutsche Bank Group for reasons of competitiveness.

Against this background, Deutsche Bank Group and the ESC aim to establish a regular dialogue on the resulting personnel changes worldwide and the human resources (HR) policy needed to support them. Close cooperation in the form of such a dialogue between the bank and employee representatives is a major success factor in a competitive market. This dialogue goes hand in hand with the bank's values and corporate goals, which in turn stem from its four guiding principles: customer satisfaction, staff motivation, profitability and social responsibility.

New structures require new job profiles, new working conditions and a new allocation of resources and services. These changes are supported by HR tools to create opportunities, to prevent and mitigate disadvantages for employees without impairing the company's competitiveness.

Irrespective of this, strategic Group-wide changes and related plans for staff changes and movements are submitted beforehand to the ESC on a country-specific, comprehensive basis and discussed with it so that the ESC's ideas and suggestions can be considered for incorporation into the implementation strategy.

Whenever new structures are implemented, the respective national legislation, collective pay-bargaining system, business environment and regulatory regime need to be considered. In addition to these factors, all HR policies are driven by the values and measures listed below and the master guidelines and social minimum standards based thereon.

A corporate culture of openness, commitment, trust, integrity and achievement should be practised throughout the bank.

The ability to provide open information and exchange views without bias enhances the bank's diversity and, especially, its interaction with people from other nations, cultures and religions.

Respect, consideration and responsibility for staff shape the attitudes and actions within the bank.

Fairness and credible leadership justify employees' confidence in the bank.

Honesty, incorruptibility, reliability and social competence foster long-term partnerships.

These are the corporate standards on which our actions are based.

The bank will continue its dialogue on these issues with the ESC. This dialogue will include an exchange of ideas on how to promote job security and employability. These guidelines will be converted into modules of equal rank. Modules within the framework of this dialogue are:

- ensuring job security by means of HR policy tools which are used when staff cuts are unavoidable. Apart from natural wastage, these can include measures such as various forms of early retirement, shorter working hours, more flexible working hours, financial compensation for losing one's job, etc.;
- training aimed at securing further employment within Deutsche Bank Group;
- opportunities for further qualification need to be identified and realised in the bank; job offers and training facilities must be accessible to all DB employees worldwide;
- employability aimed at improving staff members' employment prospects will be enhanced by the availability of training facilities and advice throughout DB Group;
- job security and the use of local expertise for new business areas will be considered when strategic and organisational decisions are taken.

Further modules may be devised and agreed by the bank and the ESC.

*Milan, 23 March 1999*

*Signed by representatives of Deutsche Bank AG management and Deutsche Bank ESC*



## ENI-EMCEF-FULC

### Agreement on the subject of health and safety in workplaces

On June 21, 1996 ENI, EMCEF, and FULC met to arrange an agreement at the European level on the subject of health and safety in workplaces.

Whereas the parties:

- share the primary objective of safeguarding workers' health and safety in workplaces;
- feel it is essential to reach a homogeneous level of protection and prevention for all workers of the ENI Group in the European Union;
- believe that said objectives are pursued through a participative trade union confrontation which is an evolution of the experiences of the single European Union member countries;

considering that the national codes have incorporated or shall incorporate the Community directives aiming to define a homogeneous level of health and safety and environment protection;

it has been agreed that a European Observatory for workers' safety and health be established.

Safeguarding the requirements imposed in each country by contracts and regulations, the purpose of the Observatory is to promote both the in-depth study of methods and workplace analyses, and projects aiming to improve the levels of prevention in workplaces, as well as to foster the exchange of experiences in the realm of safety and the safeguard of workers' health. In this sense, by way of example, the following subjects may be themes for study:

- a data bank of industrial accidents and occupational diseases;
- the development of 'ad hoc' guidelines;
- the evaluation and analysis of the evolution of rules and regulations and the consequent effects of their implementation in the various industrial realities;
- a study of instruments for analysing particularly critical workplaces, also in cases of critical life conditions, as well as research on and experimentation of study techniques for improving the level of knowledge of accident phenomena;
- monitoring of results achieved, application of technical/managerial instruments for the evaluation of company performance and improvement of safety and health in the workplace;
- a study of teaching instruments for workers' training;
- a study of information models.

The results of the work planned by the Observatory will be presented and discussed within the Works Council prior to implementation.

The Observatory is made up of one delegate for each country represented in the Works Council and as many representatives of the Group companies on appointment by the parties signing this agreement, two ENI representatives, and one each for EMCEF and FULC.

The Observatory generally meets twice a year. The first meeting is scheduled for the month of October 1996.

During the first meeting the Observatory rules and regulations and the work programme will be established. In the regulation the modes for implementing the agreed actions will be detailed.

*Brussels, 21 June 1996*

*Signed by representatives of*

*ENI, EMCEF, FILCEA-CGIL, FLERICA-CISL, UILCER-UIL*



## Ford

### **Agreement governing the separation of the Ford Visteon organisation**

The existing Visteon activities presently owned by Ford in Europe will be transferred into separate legal entities. The legal entities being created are depicted on the attached organisation chart [omitted here]. Ford Motor Company is contemplating a spin-off of the parent Visteon company and after full spin-off will have no equity in the new parent company or its subsidiaries, and the new parent Visteon company will be incorporated in the US and be publicly traded.

In connection with this transaction and on behalf of the respective national companies, Ford Motor Company and the Ford European Works Council have concluded the following agreement, which will apply to all Visteon activities listed below and being established as independent legal entities in Europe (hereafter collectively referred to as 'Newco'). In the event that any of these Newco activities in Europe are transferred outside Newco, then the successor companies will be obliged to adopt this agreement.

#### *Scope of the agreement*

The following agreement applies to hourly and salaried employees on Visteon payroll below senior management (the agreement covers up to and including LL5/SCR) of the current European plants in Berlin, Dueren, Wuelfrath, Belfast, Basildon, Enfield, Swansea and Charleville and to the existing Visteon engineering and other staff and hourly support activities in the countries where the above plants are located.

The Visteon activities in Cadiz and Palmela are not affected by this agreement as the operating arrangements and contractual terms and conditions of employment are not altered by the change of ownership to Newco.

#### *Employment contract*

The existing employees of the above-mentioned activities will become employees of Newco. The employees will be transferred to Newco no later than the end of the second quarter 2000.

Accrued seniority and all existing terms and conditions, in particular pension entitlements, will be transferred to the new employment contracts. For the duration of their employment, terms and conditions of existing Ford employees, who transfer to Newco, will mirror Ford conditions (including discretionary pension in payment increases) in their respective countries (lifetime protection).

In respect of employee programmes, such as car purchase and share purchase plans, comparable programmes will be developed and implemented.

Until the full spin-off of Newco, present Ford employees working in Visteon activities will be eligible to volunteer to be reassigned to Ford. The timing of these flow-backs to Ford will be subject to the availability of suitable opportunities within Ford facilities, normal selection

criteria, and the need to maintain operations within Newco. If an employee refuses two offers of suitable vacancies in Ford, the flow-back commitment will cease. Ford will commit to implement all flow-backs within a five-year period from the date of full spin-off.

In addition, existing Ford employees working in Visteon who transfer to Newco at the time of the transfer of assets and liabilities to Newco ('legal separation') will have the opportunity to apply for vacancies within Ford which are to be filled externally, and they will be considered against normal Ford selection criteria. Where they are equally suitable, former Ford employees who have transferred to Newco will be given preference over other external candidates, and past Ford and Visteon experience will be taken into account.

Future new hires into Newco after the date of legal separation will be employed under terms and conditions decided by Newco, which in the UK will be negotiated collectively as appropriate and in Germany will be aligned with the respective tariff agreements.

For terms and conditions of employment of existing Ford employees who transfer to Newco at the time of legal separation in the UK and Germany, Newco will adopt and honour the outcome of the Ford collective agreements in the respective countries.

#### *Collective agreements*

All existing Ford collective agreements, in particular investment and plant security agreements and the employment security and investment statements (hereafter 'investment agreements') will be fully adopted by Newco.

Existing apprentice training programmes will be continued.

#### *Employee representation*

In Germany, Newco will become a member of the employers' association of the metal industry. Plant and corporate employee representation arrangements will be established according to applicable legal and tariff provisions.

In the United Kingdom:

- current Ford employees who transfer to Newco at the time of legal separation will continue to be represented by the existing Ford procedure and bargaining arrangements for six years after legal separation. Ford national bargaining committees will include management representatives of Newco as appropriate.
- thereafter Newco will establish local and national representation and bargaining arrangements for all Newco employees in the existing UK Ford locations which transfer to Newco at the time of legal separation.
- separation of Newco representation arrangements from Ford earlier than provided for in this agreement may take place if it is agreed by all parties that this is mutually beneficial.
- representation in respect of new Newco employees hired following the legal separation of Newco from Ford, will be the subject of discussion between Ford, Newco and the appropriate national unions in the UK.

The existing in-plant representation structures and processes in Charleville will continue and are not affected by this agreement.

Newco will establish a new, independent European Works Council.

*Sourcing*

In recognition of the commitment contained within this agreement that Newco will maintain terms and conditions for existing employees who transfer to Newco that mirror Ford conditions for the duration of their employment (lifetime protection), Ford management commits to provide sourcing to Newco in Europe as described within the following sourcing agreement.

The following principles apply in respect of the sourcing of Ford business to the aforementioned Newco plants and the allocation of work to the Newco engineering, development and other Newco staff and hourly support activities in these countries.

In order to facilitate the business development of the Newco activities named above and based on the company's intention to transfer existing Ford employees in these facilities to Newco as Newco employees at the date of separation, Ford and Newco management confirm their ongoing commitment to these activities and will comply in full with the existing investment agreements which affect these facilities, and meet the legal responsibilities arising from them.

Specifically, replacement work will be substituted for the B-Car instrument panel and Transit grill that have not been sourced to Visteon in the next product cycle. A decision on substitute work will be made by 30 June 2000.

In addition, management commits to take the necessary steps to provide the opportunity to enhance or develop a viable business situation for these plants and the Newco engineering and other Visteon staff and hourly support activities.

To achieve this and, in particular, to address the concerns regarding plant closures, Ford management commits to provide these facilities with the sourcing for existing Ford products to the life of the present vehicle sourcing cycle plus one further vehicle sourcing cycle (to include CD208 and the replacement for the present Galaxy), and as a minimum for the period committed in the existing investment agreements. This commitment also includes all current components in Newco plants which will have successor parts in C1/CD platform vehicles in the next vehicle sourcing cycle. Minor facelifts will not constitute a new vehicle sourcing cycle.

The 'programme cycle plan' and 'current Visteon sourcing plan' documents attached to the two original master copies of this agreement are part of the agreement.

To support this agreement, Newco recognises its responsibility to ensure that the Ford products sourced to these facilities must be viable, profitable, reflect technological advances (e.g. electronics, moulding, transmissions, machining etc.) and meet competitive price criteria. Where

Newco is not able to immediately match the competitive price on products included in the above, for the future committed product sourcing cycle, it will commit to bid on a competitive basis, at a minimum level of break-even plus the cost of capital and to make up any remaining competitive price difference in equal increments across the life of the product sourcing. (But in any event in equal increments across a maximum five-year period). The difference between the competitive price and the Newco price (at a minimum level of break-even plus the cost of capital) at the date of legal separation will be shared equally between Ford and Newco over the five-year period, in line with the following formula:

- Newco commits to reduce the difference in five equal steps of 20%, so that the difference is eliminated at the end of the five-year period.
- Ford pays for 100% of the difference in the first year, 80% in the second year, 60% in the third year, 40% in the fourth year and 20% of the difference in the fifth year.

The achievement of employment security will ultimately be governed by the level of efficiency and competitiveness achieved in each Newco facility. As today, this will require the ongoing cooperation of management; unions, works council, employee representatives and employees.

The product cycle plan upon which these commitments are based is clearly subject to change. Where these changes negatively impact the sourcing of Ford product to these Newco facilities, alternative sourcing will be identified by Ford to replace any shortfalls in sourcing based on existing investment and product sourcing cycle plan commitments. However, where sourcing is impacted by market-driven changes, Ford will not be required to provide alternative sourcing.

These commitments reflect Ford management's intention in respect of the Newco business units identified above and serve as an underpin to ensure their viability. Where future alternative sourcing opportunities can be generated for these business units, for example from Ford, other OEMs, or other suppliers, such new work may be substituted for existing Ford work sourced to Newco where it makes business sense to do so, provided the spirit and intent of this agreement is maintained and there is no detriment to the Newco business unit(s) concerned.

Ford and Newco management commit that this agreement will transfer to any successor company.

Newco will be included in future Ford market tests for parts within their product range, and will be considered by Ford. Ford and Newco management and the Ford sourcing council will adhere to agreed sourcing procedures and this agreement.

*Future Ford restructuring actions*

This agreement on treatment of employees related to Newco separation from Ford will not set a precedent for any future restructuring actions in Europe.

In the event that it is necessary, within a five-year period from the date of this agreement, to establish a joint venture or initiate a spin-off involving any of the existing European Ford plants

or other facilities the company commits that the existing Ford employees in the affected location(s) at the time of the joint venture or spin-off will work in the new business but will remain Ford employees. Normal practices on mobility (transfers and loans) of labour will continue to apply.

Existing employees at the time of the establishment of the new organisation may elect to voluntarily transfer their employment to the new organisation at any time.

Where both sides agree it is beneficial to make changes to the above arrangements in a particular case, then changes will be made by mutual agreement.

*General*

1. The parties to this agreement commit to implementing this agreement at the national level. A joint working group shall be set up with Ford management and the FEWC select committee. This working group shall monitor the implementation of this agreement and shall take a decision in the case of any dispute regarding its interpretation.

2. After legal separation, Newco management shall be responsible for adherence to this agreement vis-à-vis the corresponding Newco employee representatives. In the case of disagreements between Newco management and the corresponding employee representatives that arise from different interpretations of this agreement, the procedure described under 1) above may be applied.

3. Where Newco management and employee representatives agree it is beneficial to make changes to the agreement, then changes will be made by mutual consent and after prior concurrence by the working group.

*Cologne, 25 January 2000*

*Signed by management representatives, Ford EWC members and Visteon employee representatives*

## General Motors

### Framework

Within the alliance agreed between General Motors and FIAT, the European Employee Forum of General Motors sets forward a framework for the implementation at national levels, the following:

- The transfer of the employees will be handled according to the respective national legislation. It is the intention that employees will not be disadvantaged.
- Communication on a European level will continue with the subcommittee of the EEF as set forth in the 4 May 2000 meeting. This subcommittee will continue until the formation of the JVs [joint ventures] is completed and they are operational.
- The companies, establishments and parts thereof that have belonged to GM until the present and that will be part of the joint venture shall remain within the European Employee Forum of General Motors Europe initially until 2004. Their continued representation will be discussed at the appropriate time.
- Any form of double representation, also on respective FIAT forums should be avoided.
- With relation to the GM/FIAT Alliance, the same information will be shared at the national level, through the Personnel function, with appropriate employee representatives.
- The EEF will continue to be the appropriate forum to discuss the topic of national information and consultation in general.
- Unless prohibited by law, national negotiations will ensure that the existing employee representation, e.g. through works councils, national negotiating committees, shop stewards and within the supervisory board, will be retained. Union recognition will remain the same.
- Employees transferring to the JVs shall be treated as if they continued to be employed by their previous employer. Where applicable, new employment contracts or amendments to existing contracts shall confirm this.
- Current collective agreements will be the subject of local/national negotiations and will stay in force as collective agreements.
- In the unlikely event of a failure of the GM-FIAT alliance, employees will be afforded the right to return to existing former employment location.
- On the basis of competitiveness, we will continue to pursue new business opportunities, thus utilising our people and facilities.
- Implementation of this framework shall occur on national levels. Any issues or concerns with regard to this framework document shall be brought to the attention of the EEF leadership for clarification and/or resolution.

*Signed on 6 July 2000 by GM management, the GM EWC and the European Metalworkers' Federation.*

### Framework restructuring agreement

The following framework agreement is in relation to GM's current restructuring initiatives.

The European Employee Forum (EEF) of General Motors Europe sets forth the following framework in relation to the current restructuring initiatives, including the run-out of the current

Frontera, as discussed in the emergency meeting of the EEF steering committee on 12 December 2000:

1. It is the primary goal of management and employee representatives to institute actions that focus on the support of our employees and their futures. The placement of the people as well as the maintenance and securing of remaining business is of utmost concern.

*2. Job security*

Management will avoid forced redundancies in relation to the above-mentioned restructuring initiatives and take all reasonable steps to avoid forced redundancies as follows:

In line with the respective national legislation and contractual obligations national management will provide personnel planning and will consult and will work with local employee representation to achieve this goal which may include (in no particular sequence) but is not limited to such processes as:

- part-time work programmes
- transfers to other national locations of General Motors and transfers to other international locations of General Motors
- voluntary separation programmes
- early retirement programmes.

If necessary after all openings are filled, career opportunities and placement outside of General Motors will be assisted.

Efforts to place workers in reasonable positions will require an increased willingness of employees with regard to mobility and flexibility for the work location as well as for working times and practices.

Rights described in section 2 of this framework only apply to employees willing to accept reasonable job offers or, in the event of insufficient job opportunities, one of the alternatives described above. Management will afford the opportunity for employee representatives to discuss the situation with individual employees who may be adversely impacted.

It is also necessary to assure that the required numbers of employees are placed in facilities that have urgent start-up needs and requirements due to market conditions.

On the basis of competitiveness, GME will in concert with the respective national organisation continue to pursue new business opportunities for the ongoing site.

*3. Employment terms and conditions*

The transfer of the employees will be handled according to the respective national legislation. It is the intention that employees will not be disadvantaged. Both parties acknowledge that the total packages may vary from case to case. Details are subject to local negotiations.

*4. Employee representation*

Union recognition on a local level will remain the same.

Employee representation on a European level will remain unchanged during the current election term.

Current collective agreements will be the subject of local / national negotiations.

With relation to the above-mentioned restructuring measures, information will be shared at the national level, through the personnel function, with appropriate employee representatives.

The EEF will continue to be the appropriate forum to discuss this topic where it has transnational implications.

*5. Production in Luton*

Vehicle production will be maintained in Luton.

The new Commercial Van X-83 Vivaro will be introduced and the current Frontera will be maintained at the site.

The installed capacity for the Vivaro will be 84,000 units and the installed capacity for the Frontera will be 18,000 units.

On the basis of competitiveness, management will continue to pursue new business opportunities, the extension of capacities and future products such as the Frontera replacement for the ongoing site.

Management will also investigate further job opportunities in connection with economic insourcing and will pursue location of suppliers and other non-GM business opportunities.

*6. Production in Ellesmere Port*

Epsilon will be placed in Ellesmere Port, as already announced.

The intention to source a suitable replacement model after the run-out of the current Astra in Ellesmere Port is reconfirmed, as stated in the 1998 agreement.

With these initiatives the prerequisites for a future flexibility are given. This will be a tool for more stability in employment and less dependency on product life-cycles.

The overall installed capacity will be at least 180,000 units.

*7. Implementation*

Implementation of this framework shall occur on the national level.



According to European legislation and national laws management and employee representatives will ensure that the agreed provisions will become legally binding for individual employees as well as negotiating partners.

*8. Exceptional circumstances*

The capacity figures used in chapter 5 and 6 are based on the current GME business plan. Capacity figures will not change management's objective to flexibly balance its European production schedules among all plants.

If in the future further exceptional negative economic conditions occur which will mean a reconsideration of paragraphs 5 and 6, information and consultation will be instituted.

*European framework, 5 March 2001*

*Signed by Klaus Franz, Cheri Alexander, John Jack, Bruce Warman, Dr Thomas Klebe, Holger Kimmes*

## Philip Morris

### **A guideline for accommodating smokers and non-smokers in Philip Morris facilities**

The European Council for Employees of Philip Morris European Union Region Tobacco Companies (the ‘Company’), pursuant to Articles 1 and 2 of the Agreement on the establishment of the Council, has agreed with the Company to promote a mutual understanding between the Company and its employees in relation to smoking at the workplace. To this end the Council and the Company have agreed upon a guideline for the accommodation of smokers and non-smokers in the Company’s facilities. The parties intend that the guidelines shall be distributed throughout the company to be considered by the local operating companies in adopting appropriate measures and solutions on a local level consistent with the communication, cooperation and employee participation mechanisms and agreements which exist at the operating companies.

#### *1. Statement of policy*

Philip Morris respects equally the preferences of those who choose to smoke and those who do not. We are committed to establishing within our workplaces an environment where both preferences can be accommodated. This policy recognises and respects the diverse expectations of all employees regarding smoking during the workday as well as the need to be compatible with accepted customs, culture, law and work requirements.

We shall comply with all applicable national and local laws and regulations and Corporate requirements related to workplace smoking situations.

We are committed to work closely with our employees, employee representatives (works councils and union representatives), and relevant organisations within our facilities to encourage a dialogue between these who smoke and those who do not that will lead to mutually acceptable solutions.

We encourage our employees to show courtesy and mutual respect in accommodating their colleagues’ choice to smoke or not to smoke.

#### *2. Guidelines for implementing local policies*

We are fully committed to establishing within our workplaces an atmosphere of courtesy and mutual respect between individuals who choose to smoke and those who choose not to smoke. To meet this commitment and in support of the policy the management of our facilities are directed to:

1. Identify and empower the appropriate individuals and organisations<sup>1</sup> with the responsibilities and expertise required to apply the policy to specific settings in individual facilities;
2. Develop and implement a smoking accommodation policy at individual facilities that reflects this guideline and the local workplace environment;

<sup>1</sup> Human resources, works council representative, union representatives, facility/plant manager for the ventilation component, etc.



3. Consult with a technical ventilation professional to determine the ventilation options that will support and be compatible with the smoking policy and implement appropriate actions and measures;
4. Communicate to employees in individual facilities the policy and practices as defined in step 2;
5. Provide and display appropriate and visible signs in locations designated as smoking or non-smoking areas;
6. Establish a mechanism to answer questions and resolve issues that may arise in connection with this guideline and its implementation;
7. Re-evaluate the policy periodically to reflect the learnings regarding the implementation of this guideline, changes in employee attitudes as well as in response to changes in applicable regulations.

*(Template for individual facility policy implementation)*

Practices to accommodate smokers and non-smokers:

1. General principles

Supporting accommodation in our workplaces requires a full measure of consideration on the part of smokers and non-smokers alike. Smokers should be courteous of those around them in all circumstances and need to consider the preferences of those around them regarding smoking. Non-smokers should respect the smokers' choice to smoke but also be able to remind smokers not to smoke in circumstances where it may be inappropriate.

2. Smoking practices required by law and regulations

According to law (identify per country) smoking is prohibited in [identify those areas in which smoking is prohibited according to legislation or regulation for reasons of fire safety, hygiene or interference with manufacturing and so forth].

3. Accommodation practices:

- Private offices  
Employees may smoke in their own offices. When visiting other employees' offices, smokers should seek the occupant's permission to smoke.
- Common work areas  
Smoking is permitted in common work areas as long as it is agreed to by both those who smoke and those who do not.
- Conference rooms and training rooms  
Participants in conference rooms or meeting rooms should be considerate of each other during meetings. Meeting participants can decide if the meeting is going to be a smoking or non-smoking meeting. For meetings held outside PM facilities, participants will comply with facility policies.

- Cafeteria  
Smoking is permitted in all dining areas except in the section designated as a non-smoking area. Employers will refrain from smoking while in a designated non-smoking area.
- Company trip  
Smoking is permitted in company transport except when restricted by regulation. We expect smoking and non-smoking colleagues to be especially mindful of each other's preferences when travelling together in these confined spaces.
- Smoking areas and/or lounge  
In factories, production facilities and other areas where smoking is prohibited, suitable and convenient areas should be provided so employees who choose to smoke may have the opportunity to do so.

#### 4. Facilitating Accommodation

If individual preferences are not initially accommodated the following points shall be explored to address them:

- In common work areas if an employee is annoyed by tobacco smoke in the air, he or she should first speak to the smoker and seek a solution through discussion. Options could include identifying times when smoking would be acceptable to the non-smoker and the use of natural and mechanical ventilation alternatives.
- If a mutually satisfactory arrangement cannot be reached, the respective employees should discuss the issue with their supervisor. The supervisor or manager is responsible for considering equally the preferences of each employee. If appropriate, the mechanism established to address this situation should be used.
- In conference and training rooms if a participant is bothered by tobacco smoke, he or she should seek seating to minimise the annoyance. Options include picking an appropriate seat near the source of ventilation. If a meeting is agreed to be non-smoking, smoking breaks should be provided.

Note to all facility managers: if the decision is made to send a letter to facility managers, or local human resource managers, the note below could serve as a template for such a letter.

The intent in establishing the attached accommodation policy and guidelines is to foster a cooperative and productive work environment by recognising individuals' lifestyle differences – the voice to smoke or not to smoke, is just one of those differences.

Placing this policy into practice will require the support and understanding of all facility managers as you have a key responsibility to assist in ensuring the best work environment for all employees.

We recognise that each facility has its own unique characteristics and each is governed by local and national laws and regulation. Primary to this policy is compliance to these laws and regulations.



As part of this effort, and in support of Philip Morris' workplace accommodation policy, we would encourage you to initiate, maintain and monitor the necessary accommodation practices that fully support the attached (smoking) policy.

To assist you in translating policy and guidelines into reality, we have developed the attached template covering a few venues in a typical facility. These suggestions will hopefully guide you in establishing your own facility practices to support Philip Morris' commitment to accommodation.

*Bologna, October 4, 1998*

*Chairman of the European Council of the Company*

*Vice Chairman of the European Council of the Company*

## Suez Lyonnaise des Eaux

### **International social charter**

The general management of the Suez Lyonnaise des Eaux group, the European instance of dialogue and the international human resources committee hereby present by common accord the values which dictate the human resources policy and the rights which they consider to be fundamental.

#### *1. Equal opportunities*

Suez Lyonnaise des Eaux undertakes to guarantee each individual, irrespective of sex, race, nationality, religion or culture, equal opportunities for recruitment, work, personal and professional development and promotion.

#### *2. Combating social exclusion*

Suez Lyonnaise des Eaux undertakes to combat social exclusion, in particular by education, integration, training and guidance for young people.

#### *3. Personal development*

Suez Lyonnaise des Eaux undertakes to promote its employees' personal development efforts and attempts to provide them with the necessary annual professional training programmes to enable them to carry out their functions and develop. Particular attention shall be paid to integration and career development for handicapped people.

#### *4. Employment*

Suez Lyonnaise des Eaux undertakes to seek continued employment within the group. Suez Lyonnaise des Eaux undertakes to favour resettlement and regrading within the group in the event of reorganisation or restructuring.

#### *5. Contribution to the development of the firm*

Irrespective of the country of work, each employee contributes to the development of the firm. Suez Lyonnaise des Eaux undertakes in return to assess its employees' skills and pay them according to the functions which they carry out, and the rules and practices in the sectors of activity in the countries in which the group is present on the basis of normal working hours. Suez Lyonnaise des Eaux undertakes to seek to improve the living conditions of its employees.

#### *6. Working environment*

Since its employees represent its main source of wealth, Suez Lyonnaise des Eaux undertakes to ensure that they work under the best possible conditions in terms of trust, team spirit and mutual respect.

#### *7. Social dialogue*

Suez Lyonnaise des Eaux undertakes to encourage frank, responsible dialogue at all levels of the firm and in all the functions carried out by its staff and practices real social consultation in a

spirit of complete openness. Suez Lyonnaise des Eaux shall respect the social legislation and contractual regulations of each country.

*8. Social consultation*

Suez Lyonnaise des Eaux undertakes to respect union rights and the prerogatives of those who legitimately represent its employees. In its concern to guarantee transparency, Suez Lyonnaise des Eaux shall inform employee representatives about all major events affecting the firm's activity or working conditions. As far as professional training is concerned, Suez Lyonnaise des Eaux shall develop effective dialogue with the employee representatives.

*9. Health and safety*

All preventive action in the area of health and safety at work is considered a matter of priority by Suez Lyonnaise des Eaux.

*10. Prohibition of child employment and compulsory labour*

Suez Lyonnaise des Eaux respects the provisions of the International Labour Organisation (ILO) and particularly those relating to human rights. The group refuses to employ children of an age at which education is still compulsory in the country concerned or, in all events, children under the age of 15. Suez Lyonnaise des Eaux refuses to resort to forced or compulsory labour, for example by prisoners.

*11. The commitments of Suez Lyonnaise des Eaux*

The group undertakes to respect these rights and to put these values into practice throughout the world, in accordance with the specific regulations of each country. On the basis of these commitments, Suez Lyonnaise des Eaux shall aim to reconcile the necessities of social progress, professional fulfilment for its employees, total quality in customer services and the group's economic results.

*12. Supervision of the application of the charter*

The human resources department and the European instance of dialogue shall be jointly responsible for supervising the application of this international social charter, in cooperation with recognised employee representatives. This subject will be included on the agenda of each meeting of the European instance of dialogue.

*13. Distribution*

This international social charter shall be distributed amongst all employees of the group's companies in the same way as the Suez Lyonnaise des Eaux ethics charter.

*Barcelona, 9 October 1998*

*Signed by Gérard Mestrallet, president of the executive board and Philippe Brongniart, member of the board (representing Suez Lyonnaise des Eaux).*

## **Viviendi (formerly Générale des Eaux)**

### **Charter of fundamental social rights**

The undertakings in the Générale des Eaux Group in France and throughout the world share, in the course of their operations, the values of quality service and social usefulness.

Their relations with their environment are based on long-term responsibility, comprising a strong social component.

Given this, the members of the European Social Dialogue Body (management and employee representatives) wish, by adopting this joint declaration, to underline their firm attachment to the fundamental rights defined by the International Labour Organisation.

The Group managers and staff representatives undertake to ensure, in particular, compliance with the following standards:

#### **Ban on child labour**

This principle prohibits the employment of children under fourteen years of age or of children younger than the compulsory school-leaving age in force in the countries concerned.

#### **Ban on forced labour by prisoners and convicts**

In line with this principle, prisoners and convicted persons cannot be made to carry out any work whatsoever against their will.

#### **Trade union freedom**

This principle prohibits employers from discriminating against employees as a result of their membership of trade union organisations.

The vigilance required in this respect shall be exercised in relation to activities directly under their responsibility and to those of their subcontractors and suppliers.

Any problems relating to the above-mentioned fundamental rights may be referred by the Bureau of the European Social Dialogue Body to the Human Resources Management of Générale des Eaux.

This joint declaration by the General Management and the European Social Dialogue Body shall be disseminated to the entire Générale des Eaux Group and lodged with the competent bodies of the International Labour Organisation.

*21 November 1996*

*Signed by Jean-Marie Messier, Company Chair and CEO, and Jacques Bacilière, EWC Secretary*



## Charter on safety at the workplace in the Group

In the context of its expansion in France and internationally, social issues are one of the fundamental values of the Vivendi Group, which promotes social measures in all its businesses and in every country in which it is established. For Vivendi, continued development must be based on strong social cohesion of its businesses and their environment.

Vivendi's European Social Dialogue Body therefore adopted the Charter of Fundamental Social Rights on 21 November 1986: this joint declaration reiterated the firm support of Vivendi's management and employee representatives for the fundamental rights defined by the International Labour Organisation, and in particular their attachment to the ban on child labour and forced/prison labour, as well as respect of trade union freedom.

To the same end, and underpinning the dynamic measures by Vivendi's undertakings concerning safety at the workplace, the managers and employee representatives in the Vivendi Group undertake, in this Charter, to ensure the observance of the safety standards established by the International Labour Organisation, or of those laid down in national or regional laws when they are more favourable, in every country in the world in which the Group is established.

This mission to ensure vigilance and protection of employees involves, in particular:

- Supplying workplaces, machinery and materials, and using methods of work, which, insofar as the activity permits this and to the extent that it is feasible, do not present any risks for the safety and health of the employees and the general public.
- Promoting all measures and all materials which, being equivalent in financial terms, reinforce the safety of employees.
- Not using dangerous materials or those that present a risk to the health of employees without supplying the latter with appropriate safety equipment and training.
- Providing the instructions and training that are essential so that employees are aware of risks and preventive measures, and this according to the tasks and capacities of employees in different categories.
- Ensuring sufficient surveillance of work carried out, work stations, working conditions and safety and hygiene measures at the workplace.

It also requires:

- conducting risk evaluations;
- adhering to general preventive principles relating to safety and health during the different phases of project design, research and formulation;
- ensuring, at the time of selection and in the course of services provided, that these principles are observed by subcontractors and suppliers;
- coordinating implementation of these principles upstream and when work is being carried out, whenever several undertakings are engaged simultaneously or successively in activities at the same workplace.

Special attention must be paid to the reclassification of employees declared unfit for work following a particularly serious occupational accident or illness, in accordance with the national laws in force.

Safety at work is an essential manifestation of Vivendi's professionalism. It is one of the key elements in the competitiveness of its undertakings. Therefore the duty of exercising vigilance requires the harnessing of all resources and structures useful in prevention, including means of communication used for reporting on the work of the people and entities responsible for local on-site safety. Effective information must make all the players involved pro-active in terms of prevention, for their own sake, that of their colleagues and that of the employees over whom they have responsibility.

The Human Resources Management of the Vivendi Group will regularly supply information and statistics to the European Social Dialogue Body (ESDB) to enable it to monitor the implementation of this Charter in every country in the world in which the Group is established. The Bureau of the European Social Dialogue Body may report any problems relating to implementation to the Vivendi Human Resources Management.

This joint declaration shall be disseminated throughout the Vivendi Group and lodged with the competent bodies of the International Labour Organisation.

*Paris, 18 November 1999*

*For Vivendi, Jean-Marie Messier, Chief Executive*

*For the ESDB, Jacques Bacilière, Secretary*

European Foundation for the Improvement of Living and Working Conditions

**Bargaining at European level?  
Joint texts negotiated by European Works Councils**

Luxembourg: Office for Official Publications of the European Communities

2001 – VII, 94 pp. – 21 cm x 29.7 cm



# Bargaining at European level? *Joint texts negotiated by European Works Councils*

One area of EWC activity which has received little attention so far is the negotiating role of EWCs. To what extent have EWCs become the forum for negotiations between management and employee representatives? This report makes a first, exploratory attempt at examining the extent and nature of negotiating activity within EWCs. It focuses on examples of written joint texts concerning issues other than the EWC's own constitution or internal affairs and looks in detail at 14 joint texts. The report concludes that the negotiation of joint texts by EWCs is a very restricted, if potentially important, phenomenon, which could be said to constitute a form of European-level bargaining.

