European Works Councils as Institutions for Transformation and Europeanisation processes of Polish Industrial Relations

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1. Introduction

European Works Councils are a comparatively well-known instrument of European industrial relations. From their very beginning they had been observed and analysed by various researchers from different academic disciplines. (Müller, Hoffmann 2001) Now after almost two decades of investigations, we have a lot of empirical findings, which reveal the high complexity of this issue. (Patriarka, Welz 2008) In view of the divergent nature of EWCs, it is not surprising that a controversial scientific debate is ongoing about the role of European Works Councils in the Europeanisation process of industrial relations. (Platzer 2009) Further controversial questions are dealing with the degree of the intra-organisational developments of this transnational information and consultation bodies or with their impact on national industrial relations. (Lecher, Platzer 2003:589).

This article refers to the last question and investigates the impact of European Works Councils on Polish industrial relations. The following chapters will explore in more detail the effects of Polish EWC membership on local working conditions via the case study of a Dutch transnational Brewery operating also in Poland. The research perspective of this paper is actor-centered and limited to the EWC delegates from Poland and the EWC chairman from Austria. Although this focus is not able to show the whole picture of Europeanisation, the impact of EWCs on the local industrial relation level is quite remarkable as demonstrated by this case. Through several successful negotiations the Polish employee representatives managed to copy and transfer the legal European EWC regulation into the local social dialogue practices and even beyond. They used the EWC systematically to improve their own working standards as well as for other countries in Central and Eastern Europe (hereafter CEE). This example therefore illustrates best the so far undiscovered potential of EWCs in CEE and opens new perspectives for EWC research.

In order to range the empirical results in a broader context, a short literature review about EWCs in CEE will be presented as well as some theoretical and methodical considerations about EWC research. It should be noted that although EWCs are a pan-European phenomenon, there is almost no exchange between Western and Eastern European researches. Therefore the
following overview is divided into two parts and tries to integrate the Polish research about EWCs into the general debate.

1.1 EWCs in Central and Eastern Europe: Western European research

European Works Councils raised hope for many “optimistic” observers that this new instrument would lead to a harmonisation process of industrial relations, which would in the end strengthen employee participation in Europe. However, in the context of EU enlargement the debate was dominated by fears about the destabilization of the European Social Model through the new member states. (Marginson 2006:106; Vaughan-Whitehead 2003; Ladó 2002) Indeed Meardi (2002a:77) argued that "the enlargement has not only an impact on industrial relations, but also industrial relations can have (and to an extent already have) a considerable impact on enlargement." Hence, the author warns that Poland may become a “Trojan horse of Americanization”(ibid), if the social dialogue is not improved. Deepening his research Meardi formulated in a second study (2002b: 1) the essential questions regarding the impact of the integration of Polish members into existing EWCs:

“Firstly, is the east-west divide in Europe likely to cause tensions within EWCs? Are social dumping and labour-cost driven relocations an issue? Do specific interest conflicts between Eastern and Western representatives emerge? Secondly, what impact do EWCs have on Polish industrial relations: do they change the behaviour of management and trade union?”

In this early stage of integration of delegates from EU candidate countries into EWCs, that is when Poland was not even a member of the European Union, Meardi could not find any evidence for social conflicts between Eastern and Western EWC members. On the contrary, the author reports about self-confident Polish employee representatives who say that "they do more to create jobs in the West than they destroy them." (ibid:11) Being aware of the low-wage concurrence in Ukraine or Lithuania, the Polish members see themselves in a middle position in a globalised production system.

However, Western and Eastern delegates have different expectations regarding their membership in European Works Councils. As Tholen/Czíria et. al (2006) point out, EWCs are quite highly ranked by the new members, because they offer them new options for gaining company wide information they would normally not receive. (ibid: 216) This information is fundamental for local collective agreements negotiations, which are the main activity field for trade unions from CEE. In dependence on Meardi (2002b) and also focusing on the retroactive effects of EWCs on local industrial relations,
Voss (2006) asked “what impact does EWC participation have on company specific labour relations and corporate culture in the new member states.” (ibid:2) For answering this question he found empirical evidence for overcoming local trade union pluralism through the necessity of agreeing on one common EWC member. (ibid: 29). Secondly he identified a “legitimisation effect” for the CEE EWC members vis-à-vis their local management, that took them more seriously after they became delegates.

Although the presented studies prove that EWC membership has an impact on local industrial relations, they say nothing about further conditions for those processes. Because employee representation on transnational levels is embedded in multinational company (hereafter MNC) strategies, the outcome may vary extremely. As Contrepois/Jefferys (2010:591) described with the example of French service sector MNC operating in CEE, there are different integration paths, where „one that seeks to integrate them, the other that prefers to keep them in separate national compartments.“ The authors indicated sectoral effects from the service oriented companies, where “products and markets are usually much more locally distinct” (ibid:587) and therefore national traditions of social dialogues (or the lack thereof) remain unaffected. Referring to the “home-country effect”, where industrial relations practices are transferred from one country to another, such processes could be only found in the two best-practices cases, but “there was a clear pressure from the MNC’s international HRM function to integrate the Polish and Hungarian employees in the EWC.” (ibid:596) Furthermore employee representatives from the home country need to be open for the integration of CEE delegates, which is not automatic. To sum up, home and host country conditions determine EWC membership of delegates from CEE.

Although this French study makes an important contribution relating to multinationals strategies in Central and Eastern Europe, unfortunately it remains in a national perspective. To complete the picture of EWCs impacts in Poland a more integrative research concept is necessary. It should include the institutional company and EWC profiles as well as the individual Polish EWC member views. The following summary about Polish EWC studies will fill a part of this gap.

1.2 EWCs in Central and Eastern Europe: Polish research

In the classical sense, there is almost no EWC research in Poland, but there is a continuous scientific attendance of Polish EWC members. The first study about Polish experiences in EWCs was published in 1999 by Rudolf. He interviewed 19 Polish delegates from 9 EWCs about their - at that time quite new - experiences in these European institutions. Those first EWC
members can be characterised through a strong trade union commitment, which results from a keen interest of the trade union Solidarność to be represented in as many EWCs as possible. (Rudolf 1999:9) In accordance with the later findings of Western European researchers, Rudolf describes the disappointment of some Polish delegates relating to the negotiation competences of EWCs. Additionally he indicated a “cultural irritation”, when Polish EWC members met with a open and dialogue-oriented communication culture between employer and employee representatives. (ibid:21)

In 2006 Skorupińska tried to cover all known Polish EWC members in her research and therefore interviewed 57 Polish members from 50 EWCs. In comparison with Rudolf, most of the findings were similar, whereas an increasing professionalization of the members was noticeable. Only the trade union members number was decreasing due to more open elections through all employees, which is in contrast to the delegation principle of trade union organisations in the early phase of EWCs. (Skorupińska 2006: 42)

The last descriptive study about Polish EWC members was published in 2009 by Rudolf and Stegemanm, where they summarised the earlier findings. Again they confirm the lack of foreign language skills, which had been reported as the main barrier for adequate participation in European Works Councils by many Polish members. (ibid:113) Nevertheless the assignment of interpreters and a greater willingness to learn English by the delegates demonstrate a learning process over time. Although the general assessment of Polish delegates towards EWCs and their activities is positive, disappointment concerning the lack of negotiation abilities still remain significant.

The only broader and comprehensive analysis about EWCs and their impact on Polish industrial relations was presented in 2007 by Gardawski, though the author limited his research again to Polish EWCs members - this time exclusively from the metal industry. His study was commissioned by the Solidarność trade union and represents the deepest analyses due to a methodological mix of questionnaires and seven case studies. The results from the questionnaires (20) give a first overview about possible positive impacts of EWC membership. They indicate, for example, that the local situation of the individual EWC (and union) members has improved, because they felt better informed and consulted more often, so that the whole social dialogue at company level had advanced. (Gardawski 2007: 43). The case studies illustrate a much more differentiated picture because for some Polish delegates the EWC had no relevance, while others confirmed a very large impact. Moreover Gardawski identified serious problems that may occur for the individual member. Some delegates reported an overwhelming “flow of English information”, which overburded them. Others got into serious inter-
est conflicts, especially when it came to production relocations to Poland, because their European colleagues expected transnational solidarity against the management decisions. The Polish members reported that they could hardly find arguments for the local employees why they should be against more work and products at the Polish sites. (ibid: 81-89) Finally Gardawski found an example of a huge cultural transfer with regard to the social dialogue from a German car manufacturer (probably VW) to the Polish site. (ibid: 118) The Polish delegate was surprised by a completely new dialogue culture between management and employee representatives, which he was not used to from his national experiences.

In direct comparison of Western and Eastern European EWC literature, the differences are obvious. While Polish scientists focus solely on the Polish EWC members and (almost) disregard the rest of the institutional EWC body, it is contrary to Western research. This might be explained by divergent research traditions in Europe, where “not only did the dynamic development of EWC practice as such determine the EWC research agenda, but so did parallel developments within the different national IR systems and the various national IR research traditions, both of which affected the significance attributed to the phenomenon of EWCs by IR researchers.” (Müller; Hoffmann 2001:3)

Hence, both “scientific schools” confirmed a significant impact of European Works Councils on the local industrial relations, whereas Gardawski also found negative effects - which maybe could be described as “legitimacy dilemma”. Before starting with the case study, short theoretical and methodological remarks are necessary to finish the introduction part.

### 1.3 Theoretical framework and methodology

Regardless of the rich empirical findings about EWC practice, this does not apply to theories about the first European and transnational institution for employee interest representation. (Hauser-Ditz A; Hertwig M; Pries L et. al 2010:11f) In contrast to this “Europeanisation” is quite a popular term in recent academic literature namely in political science as well as in industrial relations research. (See: Radaelli 2003; Olsen 2002; Marginson, Sisson 2005; Eberwein et. al 2002) Most authors see in Europeanisation the description of a (domestic) change process, which occurs as consequence of the EU integration. (Axt, Milosoki, Schwarz 2007) EU membership may provoke horizontal or vertical changes in different policy fields and levels as, for example, in industrial relations.

Taking the EU Directive 94/45/EC about European Works Councils as starting point for national Europeanisation processes, the ad hoc developed analysis framework looks as follows:
As figure 1 illustrates, European Works Councils can cause diverse Europeanisation processes depending on the object and level. Consequently, we cannot speak about one Europeanisation process, so that it must be understood as differentiated and overlapping processes within national borders that result from the EU membership. Industrial relations provide the institutional and personal framework for the legal EU impact in a complex multi-level system. (Müller, Platzer, Rüb 2013:19) Due to the limited space, this paper concentrates only on Europeanisation effects at the local level using the example of a Dutch transnational brewery with Polish subsidiaries.¹

After defining where Europeanisation is effective and who or what is the addressee, a few words need to be said about the mechanism of Europeanisation. This article refers to the theoretical concept of Börzel and Risse (2003), which follows a misfit-approach. Their theory indicates that a misfit between European and national regulations or practices is the pre-condition for domestic change processes. When national actors are provided with additional opportunities and they also have the capacities to exploit such new options, then the authors call this rational institutionalism. (ibid: 64) The second way is described as learning processes, when “the emergence of new rules, norms, practises and structures of meaning to which member states are exposed and which they have to incorporate into their domestic practises and structures”. (ibid: 66) If national actors serve as “change agents” or “norm entrepreneurs”, domestic change is more likely at the time when national “veto points” exist. Finally, the outcome of domestic change in response to Europeanisation can be distinguished in three degrees of change, namely “absorption” (low change), “accommodation” (middle change) and

¹ This paper is an extract from a current PhD-project (2010-2014), where Europeanisation processes had been analysed within the already presented multi-level framework (see figure 1) and where the emphasis was to cover all Europeanisation objects and levels. Therefore five “most-different-case-studies” (EWCs) were carried out with focus on the Polish EWC members as well as an analysis of national trade union (Solidarność) strategies towards European Works Councils.
“transformation” (high change). (ibid:69/70) As the authors point out, both processes can overlap.

The following case study will allow us to observe the full spectrum of the above mentioned Europeanisation processes through a detailed description of the institutional European EWC level just as the actor-centered local level in Poland. Firstly, the EWC composition, its agreement and practice will be presented in order to outline a general classification of this institution. Secondly, the role of Polish EWC members will be analysed within the transnational and the national context.²

2. The EWC of a Dutch brewery

Writing about European Works Councils in Central and Eastern Europe contexts would expect one to concentrate on the automobile, the steel or other metal or construction sectors, but not on a brewery. In fact the food industry is to some extent underrepresented in general EWC research, although there are various global players with long established EWCs. Due to sectoral specifications the production relocations play a minor role in this industry, so that the EWC agenda might look different than, for example, in the metal sector and therefore attracted maybe less attention by researchers. However, this EWC was strongly influenced by the Polish delegates, especially when the EWC chairman was from Poland, which might be the first and only case of a member from CEE in a significant EWC leading position.

2.1 The company and its sector

The Dutch company portrayed is among the world's most internationalized brewing groups and represented by its various brands in over 178 countries. It has around 76,200 employees in 70 different countries. With regard to the geographical distribution of the workforce, the last corporate publications show a clear focus in Europe. Similar to other companies in this sector, the Group can look back on a long and rich history, which began in 1864 with the purchase of a brewery dating from the 16th century. To this day the company, which is structured in a holding, is still owned by the family of the brewery founder. The internationalization process began very early in the 1930s after the acquisition of national rival companies. In the course of entering all “easy markets” in the 1990s, great investments had also been done in the newly opening economies in Central Eastern Europe. Traditionally the industrial relations are highly developed in this sector and country

² The analysis was realized through semi-structured expert interviews with 3 Polish EWC members and the present EWC chairman from Austria. All interviews had been recorded, transcribed and translated into German (by the author) and served afterwards as qualitative data. In addition, other relevant documents like social agreements, company reports or secondary literature had been incorporated in this case study.
as well as in the company. The company level of union organization is over 80% in the country of origin and all Dutch sites are covered by collective agreements. In general, the union density on company level is declared with 38%. Elshof certifies a high degree of loyalty and pride towards the products as one of the main reasons for the high level of unionization across the national borders. (2005:19)

2.2. The EWC

The EWC was founded on 30 October 1997 on the basis of Article 6 of the EWC Directive 94/95 EG. Remarkably, there had been previous regular transnational meetings of trade union representatives beginning in 1992 till 1996, which were supported by EU funds. The aim of those meetings with around 20 to 25 persons was to exchange views on national developments and especially to prepare the negotiations regarding the establishment of a European Works Council. However, the employee representatives failed in installing a voluntary EWC on the basis of Article 13 and the following negotiations on an Article 6 agreement had not been without trouble, because:

" [...] some senior managers wanted to bypass the trade unions in these negotiations. They considered the necessary start of the negotiations for an EWC as the moment to structure this body without the involvement of the unions. The high level of unionization made this attempt a failure. Employees expressed clearly their position: there is only one way to negotiate an EWC, that is with the unions. In the period from 1996 until the end of 1997 the negotiations were effectively coordinated by FNV Bondgenoten, the Dutch trade union." (Elshof 2005:19)

2.2.1 Composition and structure

Principally the EWC is a mixed committee, which is composed of five management representatives as well as of the national employee representatives. Together they form the so-called "European Forum" and the term EWC refers to the employee representatives meetings. In accordance with the national transposition laws, each employee representative from the European Economic Area is allowed to participate if his country has more than 50 work places. This also applied to all (earlier) EU candidate countries and explains the fast integration of Central and Eastern European delegates.

The current composition of the body is as follows (state 2012):
Netherlands (3); France (3); Poland (3); Italy (2); Greece (1); Spain (2); Ireland (1); Hungary (1); Switzerland (1); Slovakia (1); Austria (2); Romania (1); Czech Republic (1); Croatia (1); Finland (1); Portugal (1); United Kingdom (3) and Belgium (1).

In the beginning the maximum number of delegates was limited to 25 seats, but due to the gradual expansion of the company this regulation was can-
celled. By the end of 2012, the EWC was composed of 29 members, who came from 18 countries and represented around 31,000 European employees. The EWC has a steering committee which consists of the EWC chairman, his deputy, a secretary and one other person. Each of them has to come from a different country, whereas the secretary must always come from the Netherlands to guarantee a close link to the company’s head quarter. In order to avoid a Dutch national dominance in the EWC, the chairmanship is intentionally open to delegates from all the other countries.

2.2.2 The EWC agreement

As already mentioned, the EWC agreement was negotiated in close cooperation with the Dutch and European trade unions and in the light of its early completion after the directive was implemented into Dutch law, it must be seen as exceptionally successful. The document is relatively detailed and defines exactly the structures and processes of information exchanges and consultations between workers and employers' representatives. It has established two annual EWC meetings that last for three days, so that there is enough time for preparation. Whereas one of the annual meetings must be held in the home country of the company, the other rotates between all the other countries. In cases of extraordinary circumstances the steering committee is to be informed as soon as possible by the central management (Article 8) when they plan decisions with significant consequences for employees in at least two companies in two countries. If necessary the steering committee may initiate a meeting with the central management, which has to take place “at a time when the information and consultation is still meaningful.” (EWC Agreement, Article 7). In general all information must be provided translated into all languages concerned. Additionally the EWC has his own budget and the right to engage external experts and own secretory structures.

In 2006 the agreements were re-negotiated. Compared to the first version, no major changes took place, but some clarifications and new definitions were made. The most important redefinitions apply to the terms of information, consultation and transnational actions. To sum up, the EWC agreement is a good example of a far reaching and precise definition of employee and employer rights in transnational companies. Nevertheless, a good EWC agreement does not automatically lead to a good EWC practice, so that a detailed description of the “EWC everyday life” will follow in the next section.

2.2.3 The EWC in practice

The working level of the EWC can be described as consistently highly developed through stable and trusted relationships between the EWC mem-

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bers. The regular half-yearly EWC meetings (3 days) offers the employee representatives plenty of room for internal information exchanges as well as question formulations to the management. In addition to this, there is also a two-day training for all EWC members once a year. Both of the plenary sessions have a different geographical focus: during the spring meeting Western European countries are in the foreground, whereas in autumn Central and Eastern Europe (including Greece, Germany and Austria) related issues are on the agenda. On the first day all employee representatives have the chance to suggest their own questions and topics for the meeting with the central management, which is put to the vote. The third day is generally used for exchanges about local or trade union related issues. The meeting with the central management on the second day follows a jointly decided schedule and normally involves the attendance of the companies’ top management. If the management cannot answer adequately to the questions posed afterwards, the EWC members receive a written answer promptly after the meeting. All interviewed EWC delegates declared they were content with the quality of the information, although it was provided in some cases rather late by the management.

While the information process can be summarized as satisfactory overall, this does not apply to consultation processes, which are still in their initial phase. As one possible reason for this fact, the absence of (verifiable) transnational measures was pointed out by the interviewed persons. They also claimed that employees’ representatives had not been included in the planning phase of major projects. However, recent restructuring programs have been communicated in time by the management. At present the company plans to open a financial center in Poland and in accordance with the EWC agreement this was the reason for the first extraordinary meeting with the steering committee. The EWC has clear demands here concerning the socially responsible implementation of this measure. In order to guarantee the compliance with the already established standards, the EWC is planning to develop an information platform and a question catalogue for all delegates to receive a transnational and direct overview from the employee perspective.

Regarding the impact of the EWC on Central and Eastern European delegates, all members asked agreed that the value of the institution is higher for the colleagues from the new EU member states. As one example they quote that the former Czech delegate was replaced very quickly, after they found out that he was not a “real” employee representative because he was installed by the national management. The Polish delegates reported a second Czech related case, where they had been asked by their Czech colleagues about their collective (company) agreements, because the local management had cut all wage supplements and justified this with the economic crisis.
Due to the information about similar economic conditions without any wage cuts and according to the Polish documents, the Czech delegates were able to finish their negotiations successfully. Document exchanges have also been reported from other countries and especially help was provided to Romania. In another case, the Slovak delegate read during a regular EWC meeting in a national newsletter that the closure of his plant had been announced. He informed his EWC colleagues and they confronted the central management with this news. Although the decision could not be changed, the Slovak delegate received the chance to blame his national management regarding their deficient information practice.

As the biggest success of the European Works Council all delegates interviewed mentioned the negotiation of a companywide agreement about information and consultation standards in 2006, which was later adopted in the new EWC agreement. This compromise solution was only possible after a long arbitration process and shows in some ways the conflict ability of the EWC. This remarkable document was negotiated on the European company level and later expanded to all local sites in the relevant countries. As a result, clear and precise definitions of information and consultation rights did also exist on local company levels in Central and Eastern Europe, although the European directive 2002/14/EC was not implemented in some countries until 2007. This is an unprecedented anticipation of European Social Model through employee representatives from a multinational company in order to reach a harmonization of working standards.

2.3 The EWC from a Polish perspective

Even before being officially part of the EWC, the institution had a very high value for the Polish delegates, that increased still more after they became full members. They tried to participate as soon as possible at the European level of employee representation, especially when the home company was not the majority shareholder of the Polish sites. As full delegates they show the willingness for political responsibility and took on the position of the EWC chairperson. With the words of the former EWC chairman:

"We already said from the beginning on that we want to learn during the first mandate, actively participate in the second and take over the chairperson in the third term. We have initially made jokes about this, but that's how it exactly happened." (Group interview transcript p.18)

The EWC membership was essential for the Polish delegates to pursue their own political strategies on transnational company level, which had been declared as the harmonization of labor standards between Western and Central Eastern Europe. This quite unusual active participation on the European level must be seen in many perspectives as a pioneering effort, because the-
Se delegates had been according to statements of Solidarność trade union some of the very first Polish members in European Work Councils and also in this case the first time a Polish member became EWC chairman. In order to understand why the EWC played also such a prominent role in the national trade union strategies, we need to look back on the privatization process of the Polish breweries, where the groundwork of the current social dialogue was laid.

2.3.1 Social dialogue on the local level

Today, after a lengthy transformation period, the Polish sites are organized in an interlaced holding structure, in which the five existing breweries form their own company group, that is in turn the owner of more than fifty sales and distribution units in Poland. Within this corporation about seven regional and national beers are produced and distributed. Overall, the Polish company group employs about 4300 workers. 46% of the workforce are trade union members.

The current social dialogue at the Polish sites is greatly affected by the past transformation process, where the Polish trade union Solidarność played a key role. Thus, the trade unionists interviewed explained their active involvement in the privatization with their clear focus on the representation of workers' interests in this process. During the first two years of the transformation, when the brewery was owned by the Polish Ministry of Finance, the Solidarność trade union was very successful in negotiating social pacts and future stock options for the employees. As a result, 12% of the company share was owned by the workforce and they re-invested the profit in new stock options, so that the employees represented the biggest shareholder group when the privatization process was continued. This strategy was only possible through the unexpected economic success of the brewery, that generated great profits during the two-year transitional period. As the interviewed trade union president noted, all participants had completely underestimated one aspect in their calculations of the operating - this was the value of the brand itself. (Group interview transcript p.12).

The financial profits achieved were not only conferred to the employees, but it was decided to invest them in the technical modernization of the brewery. Through this strategic action the value of the whole group increased as well as its debts. Nevertheless the company needed fresh capital and the fear of becoming a “speculative play ball” of financial investors was drastic as the interviewed trade unions recalled. Finally, in 1994 the Dutch group was able to acquire 23.4% of the shares and the Polish employee representatives were content with this investor.

Several years later, the Dutch parent company planed another major acquisition of overall seven Polish breweries with more than 2 000 employees. This
would have lead to a market share of over 40% and presupposed an antitrust approval procedure of the authorities. Since some of the Polish trade union members had been part of the national supervisory board and already in the EWC at that time, they knew in great detail how important this expansion was for the Dutch company. They were also able to use their political contacts to the ministerial approval authorities, so that they demanded – from quite a comfortable position – twelve claims as a condition for their consent to the acquisition. Summing up, all requirements, which include the previously negotiated social pacts and agreements, for example an additional pension, time/ employment securities and a guaranteed employee seat at the national board was accepted by Dutch company.

The next challenge for the Solidarność trade unionists, according to their own statements, was the integration of the new employee representations from the different plants into their already established social dialogue structures. As they pointed out:

“there are no laws in Poland for this purpose. So, we have established a joint representation of the trade unions – this is something, which is only possible under special circumstances according to the Polish law, when it comes to mass layoffs or strikes for example, then you can establish such a joint representation, in which all unions occur – but normally this is only temporarily possible. However, we have established a permanent union representation following the example of European Works Councils. We have implemented an agreement, which was completely based on the European example and then we transferred this to our national level.” (Group interview transcript p.25).

Consequently, a Polish companywide “works council” was installed, in which 25 employee representatives meet twice a year with their national management for information and consultation processes – please note without any legal provisions. Thus, this body operates on the basis of an agreement between the social partners of the group and it is declared by the Polish trade unionists as national counterpart to the EWC agreement. This national company agreement defines all aspects of the social dialogue, such as the composition of the Polish delegates according to their trade union members; the number, duration and locations of the meetings; the possible use of experts; the scope of the information and consultation processes; the establishment of a select committee and finally the material and financial resources of the body. With this pioneer work, the Polish trade unions from the brewery sector was able to overcome the pathological Polish trade union pluralism and create a democratically elected, inter-company employee committee, which even integrated an employer-friendly trade union for executives (Kadra). Up to the present day this is unprecedented for the Polish case.
Additionally, the national information and consultation practices go even beyond the on European level established processes, because within the national borders real consultation does exist. This means in practice that each of the consultation cases must be closed with a written agreement between the Polish social partners on company level. The Polish employee representatives are usually informed in time and adequately with regard to the contents. There is no time limit for the consultation process. Information about the employment situation is given at least one year in advance by the national management, whereas the Polish labour code allows for a deadline of five days. Although there are many more examples for this highly developed social dialogue practice, a last point should be mentioned, namely that an automatic inflation compensation in the collective agreement has been installed. In other words, when negotiations about wage increases start, they always begin above the national inflation rate. (Group interview transcript p.38).

2.3.2 Polish participation in the EWC

Although the developments of the EWC have been observed from its beginning by the Polish trade unionists, they have not been part of the special negotiation body (SNB) and did not participate in the former meetings, because the Dutch company did not have the majority of the shares. However, in 1997 they were been finally asked to attend the first constitutive EWC meeting in Amsterdam. This was not automatic, but rather the result of lengthy efforts on the Polish side. The most important step therefore was the previous invitation of a Dutch employee representatives´ delegation to Poland with the aim of showing them the (modern) Polish sites. The guests acted very hesitantly and conservatively and insisted on a neutral place for this meeting. Through an ambitious social and cultural program the Polish trade unionists persuaded their visitors to see the breweries and then they started with their underlying intention: one seat in the EWC. (Group interview transcript p.14).

While the invitation to Amsterdam was only for one person, the Polish trade unionists asked the management to allow two persons and made sure, that they would pay for the extra costs. Hence two Polish delegates went to Amsterdam and provoked the first éclat during the EWC constitutional meeting, because they claimed a third full membership in the European Works Council. Especially the French delegates reacted very harshly and negatively and the Poles had no idea why they behaved so extremely. Demanding an open voting on this question, the Polish trade unionists received their third EWC seat, which was in accordance with the number of employees in Poland, although Poland was not yet a member state of the EU at that time. The conflict with the French EWC members stayed in the Polish delegates´ minds and they used their first dinner for a clarifying discussion with the help of
the interpreters. In this conversation the (leftwing) French colleagues expressed their deep disappointment about the political role of the trade union and they blamed the Solidarność for the fall of socialism. From the view of the Polish delegates this was a cultural shock, because they usually felt to be heroes and historical winners of the past democratization process in Poland. Thus they discovered a huge political-cultural misunderstanding with regard to ideological conceptions of communism and tried in the future meetings to give their Western European colleagues a realistic picture about life during Polish communism. (Group interview transcript pp.19).

Apart from this option for political, cultural and social learning processes the EWC plays a significant role for the Polish EWC members, because they receive new access to important company information. The trade unionists reported that they sometimes have information three years in advance compared to their local management and that they use this information for their local trade union negotiation strategies. They benefit not only from the first hand information about the developments and activities in the other countries, but they also see the individual resolution strategies of other European employee representatives. To sum up, this information causes a national legitimisation effect for the local trade unions adverse to their local management. It occurs that the Polish employee representatives want to discuss measures about which the national management is not informed. Contrarily the employer can’t argument with consolidated financial statements and shifts its responsibility to the global management level, because the Polish EWC members are able to check this information immediately. Moreover the EWC membership allows the Polish delegates to observe the global company strategy and to deduce the next steps of the central management to be finally prepared for it.

3. Summary

Whereas in the beginning phase of European Works Councils some observers described this institution as being neither European nor a works council (Streeck 1997:329), the empirical findings document the exact contrary. In the presented case of the Dutch brewery, the Polish participation in the European Works Council lead to a complete transformation of local industrial relations, which also can be described as the highest form of Europeanisation according to the concept of Börzel and Risse. Due to the obvious national misfit, which in this case lacks legislation for a company-wide employee representation in Poland as well as information and consultation options, the European model was transferred almost completely into the local social dialogue. Beyond the institutional changes through installing this new employee representation body, cultural and social learning processes could be observed, namely on both the Eastern and Western side. The initialy reservation of the Dutch employee representatives and the open ag-
gression of the French delegates changed into a cooperative relationship that developed through the openness and willingness of all actors towards cultural differences.

Within their national borders, and also on the European level, the Polish delegates reacted pro-actively and as “change agents” – always striving towards the improvement of the working conditions for the whole group. The bi-lateral exchange of local information, for example, collective agreements can be understand on this note as horizontal Europeanisation. Unquestionably the benefits for the delegates from Central and Eastern Europe are higher than for their Western colleagues, and maybe the Polish efforts were too ambitious for some EWC members, because the Polish chairman was not elected for a second mandate. In the interview the Polish trade unionists expressed their disappointment relating to their failure of the negotiation of an International Framework Agreement about minimum working standards:

"We tried to negotiate on the European level a set of minimum standards. Here in Poland we already have many social arrangements, for example, for dismissal wages, although we know that they lie far behind the standards in other countries. But we also know that our colleagues from the Czech Republic or Slovakia are much further behind us. So we are not really thinking about ourselves, but especially in the Czech Republic or Slovakia, they still have a very weak social dialogue. And we hoped to receive help from our western colleagues, but they said no. [...] They immediately answered, however, that this is no EWC subject for negotiations.” (Group interview transcript p.54)

Maybe as a result of the continuous EWC trainings or based on their own positive experiences in the EWC – the Polish delegates pointed out that they feel like representatives of all European employees. According to the present Austrian EWC chairman, this attitude can’t be generalized to all EWC members. This is also valid for the whole EWC case study, which needs to be classified as very special and extraordinary. Nevertheless it documents the probably far-ranging Europeanisation effects triggered by EWCs in Poland.

4. References


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