



EWCs in the new Member States

Case study: KBC Bank

Company profile

Industrial relations, interest representation and corporate culture

EWC experience and practice

Conclusions and outlook

This case study is available in electronic format only.

This case study is based on interviews carried out in Poland and the Czech Republic between March and July 2006 with representatives of the KBC European Works Council. Additional information and background material was also delivered by the Secretary of the EWC of KBC at an interview in Belgium and in the context of the project's expert workshop in Warsaw in June 2006. Also management at headquarters level has been informed about the case study and supports the survey.

Company profile

General information about the company

KBC Bank and Insurance Holding Company was established in 1998 following the merger of three Belgian financial institutions. In 2005, KBC Bank and Insurance Holding Company merged with its parent company, Almanij, and the KBC group was created. Today, the KBC group and its subsidiaries and participations employ some 50,000 people and cater for 12 million customers in 30 (mainly European) countries.

The KBC group has specialised as a '*bancassurer*' for private persons and medium-sized enterprises in selected European countries, with expertise in asset management and the financial markets. The group is the third largest *bancassurer* in Belgium, with 2005 market shares of 22% in banking business, 22% in life assurance business and 9% in non-life insurance business. Major subsidiaries of the KBC group are Fin-Force NV, Centea NV, Antwerpse Diamantbank NV, Kredietbank s.a. – KBC and KBC Lease NV, KBC Securities NV, KBC Asset Management NV, KBC Investco NV and CBC Banque SA.

In Belgium, the KBC group employs approximately 17,000 people. Outside Belgium, KBC has major subsidiaries in Luxembourg (Kredietbank, Cera Bank), where the group employs some 16,000 people. However, after intensive expansion activity, the KBC group today employs more than half of its total workforce in the new Member States of the EU located in Central and Eastern Europe. At the end of 2004, nearly 31,200 of KBC Bank's employees lived in Central and Eastern Europe, while 19,800 worked in Belgium and other regions.

Profile of company activities in Poland and the Czech Republic

At the end of the 1990s, the corporate history of the KBC group changed fundamentally through the successful expansion by greenfield investments, strategic participations and corporate takeovers into Central and Eastern European countries, in particular the Czech Republic, Poland, Hungary, Slovakia and Slovenia. At the end of 2004 and due to investments of about €3.6 billion, KBC was the second largest international bank in Central Europe, after Austrian 'Erste Bank', measured by total assets. In 2005, KBC in Poland, Hungary, the Czech Republic, Slovakia and Slovenia employed about 28,500 workers, which was nearly 60% of the total workforce.

Poland

In Poland, KBC is the majority shareholder (with 86%) in Kredyt Bank, which was established in 1990 as one of the first private banks in the country. Kredyt Bank has grown rapidly, organically as well as through acquisitions (1997 takeover of Polski Bank Inwestycyjny s.a. and 2002 incorporation of Polski Kredyt Bank). KBC's predecessor, Kredietbank, took a minority participation in Kredyt Bank in 1996; in 2001, KBC took a majority participation. Due to the very difficult macroeconomic conditions, significant restructuring was necessary, including the selling of activities in Ukraine and Lithuania. In 2004, KB Asset Management was registered as a 100% subsidiary of Kredyt Bank and in 2005 KB Asset Management merged with other Polish Asset Management companies of the KBC Group, forming KBC TFI.

The Kredyt Bank has a nationwide network of 348 branches. In 2005, it was ranked in eighth position in Poland, with a market share of 5%.

In 2000, KBC Insurance also took a minority participation in Warta, which was increased to a majority shareholdership in 2003. Warta is an insurance and reinsurance company, which was established in 1920 and ranked for many years in second position in the Polish insurance market. Warta offers a variety of products to a wide group of individual as well as corporate clients, including motor insurance, property, personal, financial and third-party liability insurance. It is also the leader in marine and aerial insurance products. Established in 1995, Warta Vita is the life insurance company of the Warta group. Warta has a network of nearly 6,000 self-employed agents, but also offers its products and services through multi-agents and brokers. In addition, Warta products are sold via the network of Kredyt Bank units.

In 2005, the KBC group employed a staff of more than 10,000 in Poland, of which 6,400 worked in the banking sector and 3,600 in insurance activities.

Czech Republic

In the Czech Republic, KBC Bank and Insurance group became the majority shareholder of CSOB when the bank was privatised in 1999. CSOB was established in 1964, with the State Bank of Czechoslovakia as the majority shareholder. Until 1989, the bank's activities were primarily focused on foreign trade-related services, where it had a monopoly position. After 1990, the bank diversified its activities and broadened its customer base. Despite the break-up of Czechoslovakia into the Czech and Slovak Republics in 1993, CSOB maintained its operations in both countries. CSOB has a license to offer all standard banking services in the Slovak Republic.

As in Poland, the investment was followed by acquisitions. In 2000, CSOB acquired all the assets and liabilities of Investicni a Postovni Banka (IPB), a Czech bank that was the leading bank in the Czech Republic in the field of lending and ranked in third position on the basis of deposits. Through the acquisition of IPB, CSOB became one of the premier financial services groups in Central and Eastern Europe. Today, CSOB is one of the leading banks in the Czech Republic, with a market share of 21%, and provides approximately one-third of the Czech population via a sales network of 208 branches and about 3,400 points of sale, located in post offices. In Slovakia, CSOB expanded its network, which consisted of 81 branches in 2004. In addition, CSOB has further specialised subsidiaries focusing on leasing, factoring, pension funds and mortgages, as well as asset management activities.

Today, the KBC group in the Czech Republic employs a staff of about 8,500 in the banking sector and roughly 800 in the insurance sector. In Slovakia, the group has a workforce of 1,600 in banking and about 250 in insurance.

The KBC group has also acquired major banks and insurance institutions in Hungary and Slovenia. In Hungary, KBC is the majority shareholder of the K&H Bank, which was privatised between 1997 and 2000. In 2001, K&H Bank merged with the ABN AMRO Magyar Bank, thereby becoming the second largest bank in Hungary with a market share of some 11%. KBC today is the sole owner of K&H Bank. With roughly one million customers and a network of 154 branches, K&H today employs a workforce of 3,800 in the banking sector.

In Slovenia, the KBC group has been a minority shareholder since 2002 of the Nova Ljubljanka Banka (NLB), which is the strongest banking and financial group in the country. The majority shareholder is still the Slovak government. NLB acted as an important acquisition vehicle of KBC in the former Yugoslavia, with major participations in Montenegro, Serbia, Bosnia-Herzegovina and Macedonia. In 2003, NLB and KBC Insurance established NLB Vita, which is working in the life insurance sector. In Slovenia, the KBC group employs a staff of about 5,800 in the banking sector.

Industrial relations, interest representation and corporate culture

As is the case generally in the banking and finance sector, structures of shop-floor interest representation and social dialogue in the Central and Eastern European countries are rather weak, fragmented and scattered. This is the result partly of a very diverse and fragmented structure of branches and functional units, but also of traditionally weak trade union structures, both at company and sectoral levels.

Poland

In Poland, a functioning interest representation structure based on the Solidarność trade union is only to be found at the KBC Insurance company of Warta, employing a staff of about 3,600. In the Polish KBC banking business (Kredyt Bank), with 6,400 employees, there are only individual trade union members, but no formal structures and institutions of information and consultation or social dialogue at company level (see Table 1 for summary).

Warta, founded in the 1920s as a public company, was the main Polish state company dealing with foreign travel and business insurance, including all currency trade. With headquarters in Warsaw, there are 11 macro-regions, each with approximately 100-150 employees.

At Warta, with a staff of about 2,500 clerical workers and about 1,000 customer advisors (mainly working on a self-employed basis), a Solidarność trade union committee was established at the beginning of the 1990s. In 2005, the number of active trade union members amounted to 270. There is one enterprise committee for Warta, with 26 members, dealing with interest representation, information and consultation as well as collective bargaining for all Warta employees. Besides that, there are regional Solidarność branches at Warta, dealing with local industrial relations issues.

As already mentioned, there are no formal structures of interest representation and social dialogue and consultation (including collective bargaining) at the Kredyt Bank company in Poland, with its workforce of 6,500. This is partly a result of very weak sectoral trade union structures in the Polish banking and finance sector, combined with little support from the national trade union organisation.

Czech Republic

In the Czech Republic, the situation in the banking sector is regarded as being better than in Poland. CSOB, as the main undertaking of the KBC group in the Czech Republic, had from the beginning a significant trade union structure and there still is a company trade union council covering the whole company, as well as a decentralised structure in the nine corporate branches in the Czech Republic. Also, at sectoral level, structures of collective bargaining and trade union policy are better equipped and prepared than in Poland (see Table 1 for summary).

Both in Poland and in the Czech Republic, corporate restructuring and reorganisation of the financial services business has been a major issue of industrial relations, e.g. in the context of the reduction in the number of local corporate branches and the reorganisation of corporate functions. In this context, rather weak traditions and structures of social dialogue are reported with regard to social plans and other programmes about redundancies, etc. In Poland, for example, labour relations and in particular the management-employee relationship were until recently described by interviewees as conflict-driven, with little interest on the part of local management in social dialogue processes and negotiations. With the appointment of a new HR manager, this situation has changed and today seems to be more positive, e.g. there are regular joint meetings between management and employee representatives and 'social dialogue has started'. However, as the employees see it, the perception of social dialogue and consultation with management is quite weak and not taken very seriously. Employee representatives are still in most cases not informed in advance about reorganisation plans and measures of workforce reduction, which leads to a general climate of distrust.

Table 1: *Profile of KBC industrial relations in Poland and Czech Republic*

Features	Poland	Czech Republic
Investment type	Acquisition of one of the leading financial institutions	Acquisition of one of the leading financial institutions
Number and size of workplaces	350 branches and sub-branches, headquarters functions	208 branches and 3,400 sales points in local post offices
Number of employees	6,400 in banking and 3,600 in insurance	8,500 in banking and 800 in insurance
Profile of workforce	White collar	White collar
Type of interest organisation	Trade unions (insurance company only)	Trade unions (banking only)
Trade union structure	Very weak	Trade Union Council and local branches
Union membership and coverage	Below 5%	Below 10%
Board-level representation	No	No
Coordination of collective bargaining	No	Yes (banking only, not in insurance group)

Source: *Authors*

EWC experience and practice

EWC profile

KBC has had a European Works Council (EWC) since 1996, when the original agreement was signed at the then existing Kredietbank. After the KBC Bank and Insurance Holding Company was established in 1998, following the merger of three Belgian financial institutions, the agreement was renewed and the KBC EWC was established in 1999. With EU enlargement in mind and the restructuring of KBC (merger of the KBC Bank and Insurance Holding Company and its parent company, Almanij, and establishment of the KBC group), there was a further amendment of the EWC agreement in 2004, when a document was signed laying down principles of coordination of the agreements of 1996 and 1999 (see Table 2). The KBC EWC is a joint body established under Belgium law.

Appointment of EWC members employed in Belgium is made by the representative employee organisations prior to the works council elections, whereby one mandate is reserved for the representation of supervisory and management staff, one mandate is allotted to the recognised trade unions and the remaining mandates are distributed as agreed between the representative trade unions.

As a rule, each country represented in the EWC has one seat, with additional seats according to the size of the workforce. Against the background of the strong Belgium home base of the EWC, at least before EU enlargement, the composition of the EWC is still characterised by a strong Belgium membership: Until September 2004, a total of 25 mandates were reserved for Belgium delegates. After that date, the number was reduced to 22 and a further reduction is foreseen until 2008 (down to 17).

Appointment of members employed in other EU Member States, including Central Europe, is organised according to the following rules:

- Mandatories may be appointed only insofar as there is a representative employee organisation in an entity.
- If more than one mandate per Member State is to be conferred, at least one mandate each shall be allotted to the banking entity and the insurance entity in that State.
- If more than two mandates per Member State are to be conferred, the additional mandates – save other arrangements between the entities in a Member State – shall in principle be allotted proportionally between the banking and insurance entities, according to staff numbers.

Allotment itself shall be conducted through local consultation with the representative employee organisation in the undertaking concerned. Should this give rise to problems, a solution shall be sought after consultation with the other parties concerned, such as UNI Europe Finance, the local management, etc. Where major changes have occurred in the interim (e.g. the setting up of a representative employee organisation in an entity previously lacking one), a redistribution of the existing number of mandates may take place, if necessary by amendment to the present agreement. Any redistribution during a term of office of the European Works Council shall come into force only at the commencement of the following annual meeting.

Normally, there is one EWC plenary meeting per year, held in Belgium. However, where appropriate, extraordinary meetings are possible and meetings may also be held in a Member State other than Belgium.

The reference language of the KBC EWC is Dutch. Although it is intended that English will in time become the sole language of communication for the EWC, translation into Dutch, English and French will be provided at the meetings of that council during an initial phase. The report of the annual meeting of the EWC shall be provided to the staff of the entities of each Member State in their own language. By the end of 2008, a review shall take place to determine how the switch to English as the sole language can be effected and how English language competence is going to be improved (funded by KBC) for all council members whose English is insufficient. In 2005, English language training was offered to EWC members.

According to the agreement, chairmanship of meetings with the EWC is held by a member of the Executive Committee of the KBC Bank and Insurance Holding Company. The largest grouping (i.e. Belgium delegates) nominates an employee representative to be responsible for the EWC Secretariat.

The Secretariat, comprising the secretary and deputy-secretary, directs the day-to-day operations of the EWC. It is supported by a 'Standing Group, Training and Consultation', consisting of four council members (two from the first home market and two from the second). That group meets twice a year for one day, with a view to monitoring the continuity of the operation of the EWC. Half of that day is devoted to meeting together in a Select Committee, on which an employer's delegation is also represented. Within that committee, financial-economic information is disseminated concerning, on the one hand, the KBC group and the entities from the various Member States and, on the other, measures with a significant impact on employment, as well as any other substantial measures having a cross-border impact. The Standing Group may also organise residential gatherings on two days of the year.

Table 2: *Key features of KBC EWC*

Features	KBC EWC
Initial EWC agreement	1996
Further agreements	1999 (merger agreement) 2004 (enlargement)
National law/headquarters	Belgium
EWC type	Joint body
Total EWC members/countries	36 (BE, DE, FR, UK, PL, CZ, HU, SK)
New Member States	10 members from Poland, Czech Republic, Hungary and Slovakia
Steering group/countries	Select Committee including employer's delegation
Annual meetings	1, additional meetings possible
Consultation and negotiation role	Increasingly, but not yet

Source: *Authors*

Integration of NMS in the KBC EWC

The KBC EWC adopted a very proactive policy in order to integrate delegates from the NMS into the EWC. This also reflects the significant influence of EU enlargement on the EWC with regard to composition and functioning. From 2004 and against the large Central European workforce, delegates from the NMS have been the second largest group of delegates in this consultation body and therefore EWC actors were very attentive to issues like nomination procedure, profile of EWC delegates and embedding of EWC practice in Central Europe in industrial relations, social dialogue and interest representation structures.

Therefore, the EWC members in KBC (namely the EWC Secretariat in close cooperation with UNI Finance) wished to prepare properly for the official incorporation of the NMS into their consultative body and make contact in advance with trade unions from these Member States. In addition, they wanted to acquaint the new members and potential delegates with the current working of their EWC. In order to carry out and coordinate these tasks and objectives, and also to raise some financial funds for implementing it, the KBC EWC in 2003 carried out a project funded by the European Commission sidelining and preparing the enlargement process (see box below). In order for this project to succeed, the help of the KBC management was vitally important, mainly with regard to making contacts, a smooth project implementation and bringing the project to a successful end.

The 'KBC European Works Council in an enlarged Europe' Project

The first step of the project was aimed at getting to know KBC employee representatives in the Czech Republic, Poland, Hungary and Slovenia. A visit from a Belgium employee delegation to the head offices of these countries was organised and meetings with local management representatives and trade unions took place. From this, the EWC members learned something about the social consultation processes in KBC subsidiaries in Central Europe and got information on problems arising in the area of information, consultation and employee interest representation.

The second step in forming this relationship was the organisation of a seminar in October 2003 in Elewijt, Belgium. At this seminar, 27 employee representatives from the current EWC and 14 of the NMS took part. As well as getting to know each other, this seminar had the purpose of giving current members of the EWC information about the expansion of Europe and informing the employee representatives from the NMS about the current working of the EWC and the structure of KBC Bank and Insurance Holding Company. From this exchange, it seemed clear that KBC delegates from the old and new Member States have to learn from each other and that employee representatives must support each other across the borders. For example, it became clear that the transition from a socialist to a market economy had a strong impact on the way in which KBC bodies work. Previously, the bank was in the hands of the authorities. With the transition to private enterprise, higher productivity is demanded. New and better information technology is introduced. Older employees cannot always cope and are replaced at a rapid pace by younger ones. In addition, more employees are discharged than come back.

The third and last step in the EWC enlargement project was to assemble the information gathered and inform the wider public via a website (<http://www.ewc-finance.be>) and CD. This information is based on the input from the speakers at the seminar.

Operational issues and resources

Points of departure

Against the background of the active strategy of integrating the NMS into the EWC (see above), delegates from the NMS have been involved in the EWC from 2004 onwards (see Table 3). However, EWC involvement so far is limited by very weak trade union and employee interest representation structures, particularly in Poland (no trade union organisation at

Kredyt Bank). Therefore, the EWC delegation has so far concentrated on those parts of KBC companies in Central Europe that have functioning structures of trade union representation.

Nomination and delegation process

According to the EWC agreement, the EWC representation quota derive from employment figures in countries outside Belgium, i.e. Poland is represented by three delegates (two from the banking sector and one from the insurance sector) and the Czech Republic by two delegates (both banking). Delegates are nominated by the local trade union organisations.

Because of the lack of interest representation structures at Kredyt Bank in Poland, both EWC management and Polish employee representatives agreed on a working solution to deal with this problem. Currently, Polish EWC representation is carried out by the insurance group Warta, exclusively by two delegates. The third Polish EWC seat remains vacant until an employee representation structure is established at Kredyt Bank.

In the Czech Republic, there was no need for such an agreement since both Czech seats in the EWC body are occupied by delegates nominated by a relatively strong trade union representation structure at CSOB.

Profile of EWC delegates

As a direct result of the selection/nomination procedure so far organised solely by trade unions, EWC delegates from Central Europe have a strong trade union background. In the case of Poland, both delegates are senior trade union members (i.e. chair and vice-chair of the Solidarność trade union committee at Warta). Both have been working at Warta for more than 10 years and are founding members of the trade union organisation.

The situation in the Czech Republic is similar to Poland: the two Czech delegates are also senior trade union members and leading figures of employee interest representation at company level.

Table 3: *Key features of involvement of NMS in KBC EWC*

Features	KBC EWC
Start of EWC participation	2004
Building on previous contacts	Yes (in the context of a project in 2003)
Status	Full membership
Number and share of NMS members	10 (28%)
Involvement in EWC enlargement	No
Representation in steering/control functions	Yes (1 member from PL and 1 from CZ on Select Committee)
Delegation procedure	Nomination by trade unions
Profile of EWC members	Senior trade union officials
Information on EWC	Trade union meetings

Source: *Authors*

General conditions of EWC participation

The general conditions of EWC involvement as regards resources, infrastructure, time-off regulations etc. seem to be sufficient. However, while the Czech representative describes his situation as clearly above average compared to the situation in other companies (he is a full-time trade union official with technical equipment and support staff), the situation in Poland seems to be somewhat indifferent – here, neither negative nor clearly positive remarks were made with regard to the general conditions of EWC involvement.

In this context, it should also be mentioned that currently KBC management is following a strategy in which a further unification and harmonisation of national KBC cultures is actively supported. Here, the KBC EWC is regarded as an important institution of mediation, coordination and communication and therefore is actively supported by central management. This, of course, also strengthens local involvement in EWC practice.

Influencing EWC policy

Arising from the active policy of involving members from Central Europe in EWC policy and day-to-day practice, there is also an involvement of Central European delegates in the EWC steering and working structures. For example, a Polish and a Czech EWC delegate are also members of the EWC Select Committee group.

Although there was no direct involvement in the renegotiation of the EWC agreement, the experience and special conditions of interest representation and social dialogue in Central Europe were taken into account when the enlargement agreement was negotiated, in particular in the context of the 2003 project on enlargement.

Against the strong position of Central European subsidiaries and daughter companies within the whole KBC group, the influence of members from the NMS should be regarded as significant. This is also reflected by the fact that nearly 30% of all EWC members at KBC today come from these countries.

The changing composition of the KBC EWC is also reflected in the organisation of the Select Committee's meetings outside Belgium (e.g. joint meetings in Warsaw, Prague or Budapest) in order to address and focus on country-specific issues and problems.

Competence-building and training

The project on EWC enlargement and integration of new EWC members was an important measure in terms of competence-building and training, both for the employee representatives in Central Europe and for the old Member States (knowledge on industrial relations, social dialogue and interest representation).

According to the decision to adopt English as the main working language of EWC meetings and everyday communication, training activities (funded by KBC) are concentrated on language training. The EWC agreement has defined clear regulations and rules for these training measures (e.g. language courses within normal working time).

Communication and coordination of EWC practice

Communication and coordination of EWC practice is clearly in the hands of trade union representatives both in Poland and the Czech Republic. These representatives are also responsible for informing trade union members and other employees on EWC business. However, communication and coordination with regard to EWC practice and policy is limited in Poland due to the fact that employee interest representation structures do not exist in large parts of the companies and therefore there is no form of group-wide communication and coordination of interest representation and collective bargaining.

Problems and barriers

Both in Poland and the Czech Republic, EWC involvement has clearly had a positive impact on the situation of interest representation and social dialogue in Central Europe. Therefore, no problems and barriers were reported by the interview partners, other than deficits in language skills which are making communication between individual EWC members difficult. A suggestion by the Polish EWC delegates is to organise more joint meetings and seminars in order to improve and extend the exchange of experience and organised mutual learning processes.

Impact on industrial relations and corporate culture

Industrial relations and interest representation

Both in Poland and the Czech Republic, the impact of EWC involvement and practice on industrial relations is regarded as very significant. In particular, EWC involvement has improved the relationship of employee representatives and local management, and the situation of information and consultation on company developments and labour-related issues. In Poland, there was hardly any information and consultation before EWC involvement and since then the situation has improved greatly. Also, based on the active intervention of the EWC headquarters in Belgium, local management attitudes with regard to employee involvement and participation have changed in a positive way and binding regulations concerning information and consultation have been established.

As stated in the Polish interview report:

'By being a member of the EWC, more value is attached to you as a local employee representative and you are taken more seriously by the management, not only as an opponent but as a partner of dialogue.'

However, according to the interview partners, social dialogue and consultation is still quite a new topic both for employees and management, and it has only just started. Many deficits and problems still remain, such as the delivery of timely information and its quality with regard to consultation practice. Again, the Polish interview report states:

'Also, the employees have to learn basic things about EWC involvement and effective interest representation. Regular meetings with the management as they are planned for the future and which are a direct result of EWC involvement surely will improve the reputation of the local employee representation amongst workers.'

Interestingly, EWC practice and EWC headquarters seem to have an impact on structures of interest representation and social dialogue where they do not exist as yet. EWC headquarters, supported by central management, is actively searching for solutions on the development of functioning structures of interest representation and social dialogue at trade union-free parts of the company, i.e. at Kredyt Bank in Poland and in other countries (parts of the company in Hungary and the Slovak Republic). It is worth mentioning in this context that KBC management also considers functioning structures of trade union interest representation as an important precondition of effective labour relations, social dialogue and social policy at company level. Therefore, EWC headquarters in 2005 was actively involved in the development of functioning structures of interest representation and trade unionism at KBC subsidiaries.

Corporate culture and management practice

From the assessments in this report, it is clear that EWC involvement has a strong and positive impact on corporate culture and cooperative management practice at KBC daughter companies in Central Europe. Although the idea of social dialogue and partnership could be regarded as a new and somewhat alien concept for local KBC managers in Poland and the Czech Republic (and there is still a long way to go in order to achieve real consultation practices), much has already changed since 2004, as reported by the interview partners. For example, in Poland it is reported that after active interventions by KBC headquarters, the HR department and the EWC, the local management has adopted a social programme for employees, one that did not exist before.

In particular with regard to Poland, the KBC corporate culture and specific aspects of the industrial relations system and social dialogue in Belgium seem to have a strong influence on management practice and corporate culture, stimulating both social dialogue and the involvement of interest representation at company level. As the Polish interview report states:

‘There is an obvious influence and improvement with regard to dialogue. Instead of open fights and confrontation as in the past in Poland, we are now experiencing a slow and cautious dialogue.’

Conclusions and outlook

The KBC case clearly illustrates a strong impact of EWC involvement and practice on industrial relations, social dialogue and corporate culture in general in Central and Eastern Europe. The KBC example also demonstrates the experience of good practice with regard to active involvement of new EWC members from Central and Eastern Europe in a rather adverse environment for trade union representation and employee interest representation (including low membership rates, weak interest representation structures and social dialogue in general). The proactive approach of the EWC headquarters in this context also implies active measures for training, competence-building, intervention and delivering support for institution building (sponsoring the development of trade union structures). It should be noted that this strategy and policy is also supported by central management. In fact, management support and commitment should be regarded as important factors of success in the KBC case.

Eckhard Voss, Wilke, Maack und Partner, Hamburg and **Karolina Stegemann**, University of Lüneburg