



European Company Survey 2009: Employee representation at establishment level in Europe

Executive summary

Introduction

In companies across Europe several different channels of employee representation are prevalent: these include works councils, trade unions, special committees, health and safety representatives and workers' delegates. This report explores the main employee representation structures at workplace level in the 27 Member States and three candidate countries (the former Yugoslav Republic of Macedonia, Croatia and Turkey). It is based on two sources of information: 1) The findings of the 2009 European Company Survey (ECS); and 2) country fact sheets produced by the national correspondents of the European Industrial Relations Observatory (EIRO).

The ECS findings are based on telephone interviews with HR managers in over 27,000 establishments as well as more than 6,500 employee representatives. The resulting data offer a unique added value, because the availability of national-level data on employee representation is very variable. On a European level, the findings allow for cross-country comparisons of the situation regarding employee representation in Europe and can therefore make an important contribution to the debate on the implementation of regulation on information and consultation at the workplace.

Policy context

In many countries, institutionalised interest representation of employees evolved over many decades and is today an established feature of industrial democracy. In some Member States, such as the east European countries, such structures are a comparatively new phenomenon. EU Directive 2002/14/EC on information and consultation has over the past decade played an important role in shaping employee representative structures at the workplace.

Key findings

The variety of representative structures across Europe reflects different traditions in industrial relations as well as the differing capacities of collective actors to initiate some form of consultation with the employer about workers' issues. According to the ECS, countries fall into four categories in terms of the type of representation prevalent at company level:

- Single channel representation, where works councils are the sole eligible employee representative structure: Austria, Germany, Luxembourg and the Netherlands.
- Dual channel representation where both types of representation can be found but works councils have a stronger role: Belgium, France, Italy, and Spain (in the case of Spain, the survey only asked about the presence of works councils, not trade unions). In some Member States, the union-based system together with recent changes in legislation concerning works councils appears to have fostered the set-up of works councils: Estonia, Slovakia, Hungary, Romania, Latvia, Poland, the UK and, to a lesser extent, Ireland.
- Dual channel representation, with trade union shop stewards playing a prominent role: Denmark, Finland, Portugal, Slovenia and Croatia.
- Single channel representation, with the trade unions being the sole employee representative body: Cyprus, Malta, Sweden, FYROM and Turkey.

Incidence and coverage

The highest incidence of workplace-based employee representation can be found in Denmark, Sweden and Finland, followed by Belgium, Spain and Luxembourg. The lowest incidences are recorded in Greece,

Portugal, Malta, Turkey, the Czech Republic and Austria. As a general rule, the new Member States record low or medium levels, except for Romania, which has one of the highest levels.

In terms of coverage, the picture is similar, with only a few countries having a high level: these include Luxembourg, France, Croatia, Poland and Austria (where representation structures are more concentrated in larger establishments); and Spain, Slovakia, Cyprus, Latvia and Estonia (more prevalent in small establishments).

Employees who are not covered by a legal form of representation at the establishment level can still be covered either by eligible employee representation at company level or by an ad hoc body. Countries with a relatively high number of ad hoc bodies are generally those in which works councils are single bodies, or at least the predominant form in a dual-channel system (for example, in Luxembourg, Germany, France, the Netherlands, Latvia, Ireland and Austria).

Minimum thresholds

Most countries have fixed minimum thresholds for works councils, but not for trade union representation. In some countries, such as Luxembourg and the Netherlands, the establishment of works councils is mandatory from a certain threshold onwards. In other countries, in line with the requirement of the Information and Consultation Directive, employers have to ensure adequate structures for informing and consulting their employees in establishments with more than 50 employees. Some countries have opted to set lower thresholds (for example, in establishments with more than 30 employees in the case of Estonia). It seems that there is no clear link between the thresholds and the actual degree of representation: countries with lower legal thresholds are not necessarily those with higher degrees of representation.

Where dual forms of representation exist, a certain functional division of fields of representation seems to be in place in many countries: trade unions focus more on collective bargaining while works councils are mostly involved in information and consultation. Both forms of employee representation can be found in all sectors, yet trade unions seem to concentrate in the public sector, while works councils are more present in the production and private service sectors.

Company size

Smaller establishments, particularly in countries with works council-based systems, are generally more likely to use ad hoc forms of representation. The exceptions to this rule are Spain, Cyprus, Malta, Turkey, Bulgaria, the Baltic States, Portugal, Greece and the UK, where ad hoc committees are not particularly concentrated among smaller sized establishments. Almost all of these countries have low degrees of representation in general, and so larger establishments also often use ad hoc forms of representation.

Equally, trade unions concentrate on setting up representation structures within larger companies, thereby covering larger parts of the workforce, whereas works councils (as single bodies) also tend to be found in smaller establishments. This is interesting, insofar as in most countries the minimum thresholds for setting up trade union-based representation at company level are either low or non-existent, while the minimum thresholds for works councils are generally higher. Exceptions in this regard are Finland, Denmark and Belgium, where trade unions are also concentrated in small establishments.

Policy pointers

In many Member States with a traditional predominance of trade unions, the findings point to a considerable share of works councils, operating mainly jointly with trade unions, but also in some countries as single bodies. For example, in some of the new Member States (Poland, Romania, Latvia, Hungary), but also in the UK, where due to recent changes in legislation works councils are a rather new form, the survey data by and large show much higher incidences and coverage of works councils as single forms of representation than is documented in the national reports.

This could indicate that the survey has picked up on new developments that are not yet showing up in national-level statistics. These new developments could reflect the impact of the transposition of Directive 2002/14/EC in promoting information and consultation. Further analysis may be needed to determine whether this is fostering a European trend towards dual channels, combining works councils with a role for trade union actors at workplaces with employee representation.

Further information

The report *Employee representation at establishment level in Europe* is available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef1143.htm>

Contact: Carlos Vacas
cva@eurofound.europa.eu