

## No further revision of the EU Works Council Directive announced, only a practical handbook for stakeholders

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In a report, published on 14 May, the European Commission shared the results of its evaluation of the Recast EWC Directive of 2009 (Directive 2009/38/EC of 6 May 2009). At regular levels, the Commission is required to proceed with a review of the regulations, including an announcement of any follow-up action it intends to take.

In particular, the report focuses on the transposition and implementation of the Recast Directive and its effects on the creation of EWC's, the effectiveness of the information and consultation processes it provides for, and the improvements of the legal framework.

The report confirms that most Member States have properly implemented the Recast Directive, which improved the clarity of the legal framework. The volume of litigation at national level remains low, and no cases have been brought at EU level. In terms of effectiveness, the Commission notes that the pace of creating EWC's has slowed down, and that still only about 50% of eligible companies/groups of companies actually operate an EWC. The reasons for this are multiple and include a lack of awareness on the part of social partners, changing company structures due to corporate M&A transactions, the voluntary nature of the regulations and the absence of an obligation to set up EWC's, companies with headquarters in countries with less developed social dialogue tradition, and the length of the process to negotiate an EWC agreement.

According to the report, the information rights have improved in terms of scope and quality, but consultation remains generally less effective in practice, especially in restructuring processes. Nevertheless, EWC's are generally perceived by employers to be useful tools, for improving common understanding of issues, for explaining corporate decisions, initiating strategic discussions and projects and making valuable proposals for action. In that sense, the benefits appear to outweigh the costs. Also, all stakeholders agree that the EWC is a relevant tool in transnational social dialogue, by cascading information throughout the business, creating leverage between EU and local levels and hence facilitating the introduction of strategic initiatives.

Looking ahead, based on this evaluation, the European Commission proposes to pursue a number of measures designed to enhance the effectiveness of EWC's functioning, to tackle the shortcomings in enforcing some of the legal provisions and to share existing good practices. To that end, the European Commission will prepare and publish a practical handbook in cooperation with the social partners, providing for concrete advice and guidance for all stakeholders, including examples of good practices. In addition to mobilising additional EU funding instruments to support EWC functioning, the European Commission will also be active in facilitating exchanges between Member States on the design of effective, proportionate and dissuasive sanctions in the event of infringement of the Recast Directive.

With this, there is no announcement of, nor any plans for, any further recast of the 2009 Directive.