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SGI Europe response to the second Phase consultation of social partners on a possible revision of the European Works Council Directive (Directive 2009/38/EC)

SGI Europe welcomes the publication by the European Commission of a second phase consultation of social partners on a possible revision of the European Works Council Recast directive.

SGI Europe concluded its first stage response by affirming that considering the need to ensure legal certainty for workers and employers, and the necessity to safeguard employment and promote social dialogue in Europe, SGI Europe believes that only a social partner negotiation could reach optimal results when it comes to the revision of the EWCs recast directive.

SGI Europe members wish to reiterate a strong concern over the proposals contained in the European Parliament's February 2023 report.

They believe that the report's proposals are disproportionate in particular when it comes to:

- the widening of the concept of transnational issues,
- the introduction of an injunctive relief whereby a company's decision may be suspended if information and consultation requirements were infringed, and
- the setting of financial sanctions of up to EUR 20 million or 4% of annual turnover.

Such a revision of the directive would create a significant risk of administrative and judicial procedures which could undermine the trust that should be at the foundation of the relationship between a company and its EWC.

There are many benefits to European Works Councils including the strengthening of social dialogue, providing a company-wide vehicle for a regular, transparent and timely flow of information, improving employees' understanding of the reasons behind management decisions at group level, diffusing a culture of social dialogue within the top levels of management, innovation and change, based on mutual understanding and cooperation, and developing a European corporate culture.

SGI Europe members believe that the second stage consultation document of the Commission is nuanced and identifies issues that could either be solved by a targeted revision of the directive or by further implementation measures at National level.

In this context SGI Europe reiterates its belief that a social partners negotiation between the Cross-sectoral social partners at EU level would be the best way to achieve a balanced outcome for the revision of the European Works Council Recast directive.

Considering the possibility of a forthcoming negotiations on the issue, SGI Europe will not respond in detail to the questions raised by the European Commission in the second phase consultation document and will instead work with its members toward defining a mandate to negotiate the revision of the EWC recast directive.