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Contesting the Development of European Works Councils in the Chemicals Sector

ABSTRACT ■ The Directive on European Works Councils (EWCs) introduced areas in which management and employee representatives could contest the development of the institution. This article reviews the outcome of this contestation within the chemicals sector, examining the agenda, the 'Europeanization' of representatives, company transparency and integration of EWCs into wider industrial relations networks. It shows that neither the expectations of critics of the Directive nor of those who emphasized its potential have been realized.

KEYWORDS: Chemicals Sector ■ company transparency ■ Directive on European Works Councils ■ Europeanization ■ integration

The adoption of the EU Directive on European Works Councils (EWCs) in September 1994, the culmination of a protracted and contested campaign, has led to the establishment of 772 EWCs (Kerckhofs, 2005).¹ The objective was to increase transparency in the affairs of multinational companies (MNCs), to prevent their managements from circumventing nationally defined information and consultation rights, and to promote transnational institution-building within the sphere of industrial relations (Hall, 1992). The Directive allowed management and labour within each company the autonomy to define the specific details of the institution, creating an arena of contest. This article seeks to establish the extent to which trade union organizations² have been able to secure objectives within this contest.

Academic critics of the Directive argued that the measure was 'neo-voluntarist' (Falkner, 1996, 1998), set standards that were unlikely to prevent the erosion of national requirements on information and consultation (Streeck, 1997) and would encourage 'company-egoist' tendencies at the expense of broader collective interest (Keller, 1995; Streeck, 1998). Moreover, the one meeting per year specified in the Directive's fall-back procedure was inadequate to generate an appropriate level of

communication and networking (Ramsay, 1997) and EWC representatives would be isolated from both national structures of representation and the workers that they represent (Lorber, 1997; Wills, 2000). Within this perspective the role of trade union organizations was to ensure more frequent meetings, to develop training and networking facilities, and to ensure adequate coordination *within* the EWC among representatives of different nationalities and articulation *between* the EWC and other industrial relations institutions. The capacity of trade unions to 'deliver' on these issues was questioned, with some arguing that they lack adequate resources (Keller, 1995) and others identifying a lack of political will within European trade unionism to shift material and political resources to an appropriate level (Schroeder and Weinert, 2004). For critics of the Directive trade unions were thus central to its development, but were unlikely to be sufficiently robust to overcome its shortcomings.

Those that saw more potential in the Directive highlighted the transnational character of EWCs, employer funding of such institutions and the character of EWCs as component parts of a nascent European 'system' of industrial relations (Dølvik, 1997; Marginson and Sisson, 2004; Schulten, 1996). To realize this potential, however, networking between EWC representatives would need to create a new dynamic of transnational employee representation through which wide-ranging solidaristic strategies might develop that embrace political protest and new forms of regulation, as well as information and consultation (Weston and Martínez Lucio, 1998; Whittall, 2000). Training to overcome the difficulties arising from the different languages and industrial relations backgrounds of the EWC representatives was a prerequisite to the development of these networks. In addition, support from trade union organizations to generate and maintain reporting procedures was necessary to develop links between EWCs and other industrial relations institutions and practices.

The central role assigned to trade union organizations within these two academic positions raises the issue of labour's response to the Directive. In general terms, the European Trade Union Confederation (ETUC) had supported the Directive – in the face of intense employer opposition — but was disappointed that it excluded co-determination rights, did not define a role for trade unions, and included weak minimum standards.³ Furthermore, the ETUC recognized that the revision of the Directive envisaged after September 1999 presented a future opportunity to address such shortcomings.

Once the Directive had been adopted, practical responsibility for implementation shifted to unions within member states and to the European Industry Federations (EIFs), many of which established a 'task force' or equivalent to coordinate the establishment and activities of

EWCs. Their objectives included imposing a trade union agenda on EWCs rather than remain within the restricted agenda identified by the Directive; influencing the decision-making and operation of MNCs; and developing cross-border cooperation through cohesive networks of representatives (EFFAT, 2002; EMF, 2000; UNI Europa-Graphical, 2002). This article establishes the extent to which these objectives have been achieved by one EIF, the European Mine, Chemical and Energy Workers' Federation (EMCEF).

Growth in the number of EWCs following the adoption of the Directive has revealed a range of characteristics that impinge on their development. In particular, EWCs were viewed as developing through stages as representatives seek to improve the performance of the institution (Lecher et al., 1999; Marginson et al., 1998), although it was acknowledged that many EWCs remain in rudimentary forms (Cressey, 1998; Lamers, 1998). The content of EWC agreements was influenced by a range of parameters including the country of origin of the company, the sector in which it operates, the extent of internationalization of its production and workforce, and the influence of trade union organizations (Carley and Marginson, 2000; Gilman and Marginson, 2002; Marginson et al., 1998). Similarly, the quality and breadth of information and consultation procedures was uneven as a result of the action of similar variables that affect the content of agreements, but was also influenced by the different national perceptions of EWC representatives (Waddington, 2003). The extent of the variation in development and practice that arises suggests that the Directive has not taken transnational information and consultation out of competition. To the contrary, such variation indicates that there is a continuum of information exchange and consultation provisions that are conducted within the framework of the Directive: labour contests the development of EWCs with employers, many of whom have tried to develop the EWC to their own advantage through using it as a communication channel to raise the level of acceptance of company policy and to 'bind' employee representatives to management policies (Lamers, 1998; Lecher et al., 2002; Vitols, 2003). This article explores the outcome of this contestation by means of an examination of the views of EWC representatives towards the objectives identified by EIFs for EWCs.

To examine these issues, the article comprises three sections. The first identifies the source of the data and isolates the variables that inform the analysis. The second presents the data in three stages, each of which addresses an element of the debate between the critics of the Directive and those that see potential in its operation. Finally, the conclusion addresses some of the implications of these survey findings for trade union activity in EWCs. The argument is that EWCs are in a process of contested development. To date, this development is uneven, has not

taken transnational information and consultation out of competition, and has raised new challenges for trade union organizations at a time of limited resources.

The Sample

The data on which this article is based are primarily drawn from a survey of EWC representatives based in companies that are coordinated by EMCEF. In addition, officers with responsibility for EWCs were interviewed within several trade unions.

The development of EWC activities within EMCEF has had a chequered history. Initially, organization was largely left in the hands of one highly motivated individual. As in other EIFs, coordinators were attached to each EWC with the brief of developing the institution within a policy framework set by EMCEF. Usually, the coordinator was of the same nationality as the country of origin of the company within which the EWC was located. This approach proved successful in terms of the growth in the number of EWCs, but over-reliance on a single individual caused problems if this official left EMCEF. Consequently, EMCEF has recently established an EWC Committee with responsibility for the overall direction of EWC policy, including links with other institutions of workers' participation, information and consultation, and with developments arising from the adoption of the European Company Statute.

EMCEF is an important EIF on three counts. First, recent estimates suggest that there are over 400 companies within its area of coverage that fall within the scope of the Directive (Kerckhofs, 2005). Second, union membership and density are relatively high in its sectors, enhancing the potential for the mobilization of members. EMCEF is thus better resourced than most other EIFs, although by reference to the facilities available in many national trade unions it is understaffed and inadequately funded given the expanding European industrial relations agenda. Third, the coverage of collective bargaining and, where applicable workplace representation, is also relatively high. There is thus potential to link EWC activities to bargaining and company representation.

Questionnaires were distributed to a structured sample comprising one-in-four of the companies with which EMCEF, or one of its affiliates, had concluded an agreement to set up an EWC. EMCEF staff drew up a list of the addresses for the EWC representatives from each company in the sample, based on information held by its coordinator. The knowledge of coordinators was uneven — in part, no doubt, reflecting the importance attached to EWC activities by the coordinators — with the result that the addresses were often incomplete. The questionnaire was sent to

EWC representatives from 39 companies by post and returned directly to the author. Where 'French-style' EWCs (which include management representatives) operated, questionnaires were sent only to the employee representatives. A total of 793 questionnaires were distributed and 250 returned, constituting a return rate of 31.7 percent.

The questionnaire was designed by the author working in collaboration with EMCEF staff members responsible for EWC coordination. It was drafted in English and translated by industrial relations specialists into a further 12 languages. Extensive and detailed discussions then took place between the author and native speakers of these languages to ensure that the translations maintained the intended consistency of meaning. A questionnaire comprising the same questions was thus compiled in 13 languages. Each respondent received the questionnaire in his/her first language.

As the overwhelming majority of respondents were men (216 or 86.4 percent), gender is not pursued as a central variable in the analyses that follow. The age of the respondents ranged from 26 to 62 with a median of 50 years. The sample was drawn exclusively from EWCs within the domain of EMCEF, so sector is also excluded as a variable.⁴ It should be noted, however, that companies within the sample included those with interests in the chemicals, glass, oil/petrol and pottery/porcelain industries. The sector covered by EMCEF is thus far from uniform. Among the 250 respondents, only 16 (6.4 percent) were not trade union members. Four variables underpin the following analyses.

The first variable differentiates ordinary EWC members from office holders. A total of 145 (58.0 percent) respondents held no office within their EWC. The other 105 (42.0 percent) of the respondents were defined as office-holders: 37 chaired the employees' side, 70 served on the select committee and 25 held some other office in 32 of the 39 companies in the sample. Six (5.7 percent) of the office holders were not members of a trade union. On average, EWC members had attended between three and four meetings of the full EWC, whereas office holders had attended between five and six such meetings.

A second variable concerns the country of origin of the company. Two categories are identified. Anglo-Saxon-owned companies originate in either the UK or the USA; seven companies are covered by this category, from which questionnaires were returned by 43 EWC representatives. Next there were 31 continental European-owned companies, with a total of 206 respondents. A response from the single Japanese-owned company within the sample was disregarded in the identification of this variable.

A third variable identifies the country of origin of the EWC representatives. Five categories were isolated, each of which comprised a group of countries with similar industrial relations traditions and practices.

- The Nordic respondents ($N = 40$) come from Denmark, Finland, Norway and Sweden. All four countries have high union density, comprehensive bargaining coverage and the articulation of company bargaining with that at higher levels. Workplace employee representation is union-based, within frameworks determined by national agreement. Nordic respondents served on 14 of the 39 EWCs in the sample.
- The Southern European respondents ($N = 47$) come from Greece, Italy, Portugal and Spain, which in most cases have low union density but medium–high bargaining coverage. Recent amendments to industrial relations regimes have strengthened workplace information, consultation and bargaining, but these arrangements are sparse compared to those in the Nordic countries. These respondents were found in 26 of the 39 EWCs in the sample.
- The Anglo–Irish respondents ($N = 22$) are from Ireland and the UK where there are large areas of non-unionism and bargaining is predominantly at company level. There is no wide-ranging tradition of information and consultation in these countries, and where such arrangements exist, they are voluntary and uneven in practice. These respondents served as representatives on 16 EWCs.
- The Franco–Belgian respondents ($N = 61$) come from countries with competing union confederations; high bargaining coverage, often achieved through a variety of extension mechanisms, and more sophisticated centralized bargaining arrangements than at company level. Both France and Belgium have statutory systems of workplace information and consultation. These respondents were found in 27 of the 39 companies in the sample.
- The Germanic–Dutch respondents ($N = 75$) come from Austria, Germany and the Netherlands, countries where information and consultation arrangements are widespread and closely defined by legislation. Germanic–Dutch respondents served on the EWCs of 26 of the 39 companies in the sample.

In assembling this third variable, three respondents from Malta and two from the Czech Republic were discounted.

A fourth variable combines the country of origin of the company with that of the EWC representatives and comprises two categories. The first category is ‘home country representatives’, which includes all EWC representatives based in a company from the same country of origin as themselves. The category comprises 62 respondents. EWC representatives from eight countries constituted this category, including at least one country from each of the national groups defined above. The second category is ‘foreign representatives’, which includes EWC representatives employed in a company with a country of origin that differs from their own. There are 188 respondents in this category, drawn from 17 different countries. All 16 of the non-members were in this category.

The Areas of Contestation

This section presents the survey results in three stages. The first assesses the development of the agenda of the full EWC and examines how effective the representatives rate the performance of their EWC. The second analyses the extent to which the perspectives of the EWC representatives are 'European'. The third investigates whether EWCs have made company practice more transparent and views on the integration of EWCs with other industrial relations practices. From the outset, it should be noted that no fewer than 179 (71.6 percent) of EWC representatives reported that only one meeting of the complete EWC was held per year and that all the unionized EWC representatives held two or more posts within their national industrial relations system. The representatives thus were experienced individuals, but met only infrequently as an EWC.

The Agenda of the Full EWC

The Directive specifies a range of issues relating to company performance and plans on which the EWC might be informed and consultation may take place.⁵ The overwhelming majority of EWC agreements adopt this range of issues as 'standing order' items (Marginson et al., 1998), which should appear on the agenda of each meeting of the EWC. These standing order items are specified in the upper segment of Table 1. The lower segment of Table 1 includes a range of issues drawn from the recent bargaining agenda pursued by many European trade unions or which have been the subject of a European Directive. Following Waddington (2003), 'useful' information was defined in the questionnaire as appearing in an appropriate form, usually in writing, and at an appropriate time, that is, to allow assessment of the information and the production of a considered response. Table 1 thus allows assessment of whether managements are meeting their obligations defined by the Directive and whether employee representatives have been able to extend the agenda of the EWC to embrace issues pertinent to their current policy objectives.

It is apparent that managements do not meet their obligations arising from the Directive. Although the presentation of information is widespread, there is not a single issue in the upper segment of Table 1 on which more than 40 percent of EWC representatives report 'useful information and consultation'. Furthermore, in a significant number of cases standing order items did not even appear on the agenda. For example, more than 30 percent of EWC representatives report that 'changes to working methods', 'new technology policy', 'reorganization of production lines', 'employment forecasts' and 'research and development policy' had not been raised at their EWC.

TABLE 1. Was the Quality of the Information and Consultation Adequate?

Issue	Not raised %	Raised, but useless information %	Useful information, but no consultation %	Useful information and consultation %
Economic and financial situation of the company	3.6	4.4	62.0	30.0
Corporate strategy and investment	2.8	4.0	57.7	35.5
Changes to working methods	48.6	12.0	25.3	14.1
Closures or cutbacks	11.2	7.6	41.2	40.0
Mergers, take-overs or acquisitions	8.8	7.2	60.8	23.2
New technology policy	37.4	12.2	37.4	13.0
Reorganization of production lines	41.4	7.4	37.7	13.4
Transfers/relocation of production	19.8	8.9	47.5	23.8
Employment forecasts	31.2	10.5	42.9	15.4
Research and development policy	35.8	10.6	42.6	11.0
Vocational training	51.8	10.1	22.3	15.8
Equal opportunities	57.3	13.4	16.7	12.6
Health and safety	23.2	9.2	33.6	34.0
Environmental protection	30.0	10.1	32.4	27.5
Trade union rights	50.6	7.4	22.0	20.0
Working time	59.9	9.0	21.7	9.4
Parental leave	79.8	8.2	8.6	3.4
Other	43.9	8.8	17.5	29.8

Note: EWC representatives that stated 'other' were asked to specify what this item was. The majority of EWC representatives mentioned either pensions or communications as the 'other' item.

Two interpretations, not mutually exclusive, can be applied in this context: either managements are resisting the release of information or employee representatives are failing to ensure the full agenda. Respondents were asked to specify whether management, employee representatives or both raised an item for inclusion on the agenda of the EWC. With the exception of two items, management was much more likely to have raised the items concerned with company performance and plans. The exceptions were 'changes to working methods' and 'closures or cutbacks', both of which were more likely to have appeared on the agenda due to an initiative taken by employee representatives. There is thus evidence to show that managements have resisted the release of information. In some circumstances this resistance has been overcome by the employee representatives.

In previous research, the agenda of EWCs at Anglo-Saxon-owned companies was shown to be narrower and of lower quality (Waddington, 2003), but this was not the case here. It is noteworthy, however, that items from the standing order agenda were much more likely to have been raised as a result of an initiative taken by the employees' side in Anglo-Saxon companies than in continental European ones. In other words, the range of standing order items raised on the agenda does not differ markedly between the two categories of company covered by EMCEF because the greater reluctance to raise such items by managers at Anglo-Saxon-owned companies is overcome by the actions of the employees' side. This finding thus lends weight to the argument that the Directive might be used to change managerial behaviour.

The results from the lower segment of Table 1 are less ambiguous. On the range of issues drawn from the recent trade union policy agenda, EWC representatives have largely failed to extend the focus of the EWC and secure information and consultation of the appropriate quality. From the perspective of developing relations between EWCs and trade unions, and given the concern expressed by the ETUC that the Directive excluded a formal role for trade unions, the failure of the issue of 'trade union rights' to appear on the agenda of the EWCs of half of the representatives must be a disappointment.

In the light of the limitations of their agenda, it is not surprising that EWCs are not considered very effective institutions of information disclosure and consultation. Table 2 presents an index measure of efficacy disaggregated by the variables identified in the preceding section.

Since the average index score for enabling EWC representatives to understand how their company functions was 4.0, EWCs are effective in increasing the transparency of the company. Representatives rank the other indicators of efficacy more modestly. Reference to the 'all' column of Table 2, for example, shows that an index score of under four was recorded for each of the basic measures of efficiency regarding information disclosure and consultation. It is perhaps to be expected that

TABLE 2. How Effective is the European Works Council?

	All	Office holders	EWC members	Home country reps	Foreign reps	Anglo-Saxon companies	Continental European companies	Nordic	Germanic-Dutch	Southern European	Franco-Belgian	Anglo-Irish
In enabling you to understand how your company functions in Europe	4.00	4.04	3.97	3.85	4.05	4.13	3.97	3.87	3.26	4.13	4.08	4.09
As a source of information	3.71	3.72	3.70	3.63	3.72	3.79	3.69	3.35	3.68	3.87	3.70	4.09
As a check on information provided by management	3.36	3.40	3.33	3.26	3.39	3.43	3.35	3.02	3.33	3.53	3.54	3.68
As a means of consultation	3.14	3.20	3.08	3.11	3.15	3.26	3.12	2.77	3.29	3.28	3.03	3.32
As a means to influence management decisions	2.55	2.68	2.45	2.65	2.50	2.58	2.54	2.92	2.56	2.42	2.24	2.90

Note: Respondents were asked to indicate their response on a five-point scale; very effective, effective, neither effective nor ineffective, ineffective and very ineffective. Points on the scale were scored 5 to 1. A score of three was thus 'neither effective nor ineffective'. The scores presented in Table 2 are the average scores for each of the categories of EWC representative. An average score of four or more indicates that representatives thought their EWC to be effective, while an average score less than three suggests that representatives considered the EWC to be ineffective to some degree.

EWCs are better as a source of information and as a check on information provided by management than as a means of consultation. This confirms the results presented in Table 1 and demonstrates that the shortcomings in the breadth and quality of information disclosure and consultation identified through case study research are wide-ranging (Lecher et al., 2002; Marginson et al., 2004). With a score of 2.55, it is apparent that EWCs are seen as ineffective 'as a means to influence management decisions'. This result lends support to the critics who argue that the terms of the Directive are inadequate to meet the objectives set by the EC or trade union organizations. The question thus remains; is there a purpose in the EWC representatives gaining an understanding of how the company functions if they are subsequently unable to influence management decision-making?

On every indicator, office holders rate the EWC more effective than ordinary EWC members. This suggests that the greater proximity of office holders to the affairs of the EWC promotes a more positive view. Apart from EWCs 'as a means to influence management decisions' foreign representatives rate EWCs more highly than home country representatives. This result may reflect the greater geographical and political distance between company headquarters and foreign representatives, who are more likely to benefit from access to senior managers afforded through the EWC. The lower scores recorded by home country representatives, however, supports the view that such representatives feel they have less to gain from involvement in EWCs. In the case of some Dutch works council representatives this perception has led them to block the establishment of an EWC and thus retain control of relations with management (Blokland and Berentsen, 2003). Representatives operating within Anglo-Saxon-owned companies also rate EWCs to be more effective than representatives based in continental European companies. Whether this results from the weakness of information and consultation arrangements before the establishment of the EWC or the efforts made by representatives in Anglo-Saxon companies to ensure that standing order items appear on the agenda remains a moot point.

There is an inverse relationship between the range and force of national information and consultation provisions and the perception of EWC effectiveness. Anglo-Irish representatives tend to rate the EWC as most effective, whereas Germanic-Dutch and, in particular, Nordic representatives rate it the least effective. In the absence of any extensive domestic information and consultation provisions, the weak provisions available through the Directive are better than nothing for Anglo-Irish representatives.⁶ In contrast, for the Nordic and Germanic-Dutch representatives, the provisions of the Directive present fewer opportunities than are available through national legislation. That Nordic and Germanic-Dutch EWC representatives think EWCs relatively ineffective, however, is not

to confirm the view of the critics of the Directive that the weak provisions will undermine national level arrangements.

How European in Outlook are EWC Representatives?

For academic critics, EWCs are 'neither European nor works councils' (Streeck, 1997). Streeck argued that foreign representatives would not participate in EWCs on equal terms with home country representatives, that EWCs were extensions of national systems rather than European institutions, and that EWCs would do nothing to eliminate regime competition. If this expectation is met, marked differences should be observed among the various categories of EWC representatives. It should also be acknowledged that the procedures used to appoint or elect EWC representatives differ markedly. In consequence, the constituency represented by each EWC representative may be viewed differently. In other words, there are both subjective identifications and different procedural realities that may impinge on the perceptions of the EWC representatives. These propositions are examined in Table 3 by reference to dimensions based on location (Europe, country or site) and form of representation (all employees or only trade union members). Combinations of these two dimensions were assembled into phrases which respondents were asked to rank and thus indicate their principal points of reference.

The 'all' column shows that, at best, EWC representatives adopt an 'intergovernmental' rather than a supranational outlook in their EWC activities, as country is the primary point of reference for 65.6 percent of representatives. More than 42 percent view themselves as representatives of 'all employees in the company throughout Europe'. The European point of reference is thus present, but is not as prominent as the national. In contrast, just under 20 percent view themselves as representing a single site; that is, they display neither a national nor a European perspective. The responses where trade union members rather than employees are the constituency follow the same pattern. There is a more European outlook among officeholders: 48.6 percent cite Europe as a key point of departure compared to only 37.8 percent of EWC members. Assuming office thus seems to confer a broader perspective. For both groups, however, the national perspective remains predominant.

As Streeck (1997) predicted, the perspectives of home country representatives and foreign representatives differ markedly, suggesting that the two categories participate on different, but not necessarily unequal, terms. Most notably, foreign representatives emphasize country as a key point of reference, whereas the home country representatives more than any other category highlight a European perspective. The emphasis placed on country by the foreign representatives is anticipated. In many cases a foreign representative is the sole member from his/her country. In

TABLE 3. How 'European' is the Perspective of EWC Representatives?

	All %	Office holders %	EWC members %	Home country reps %	Foreign reps %	Nordic %	Germanic- Dutch %	Southern European %	Franco- Belgian %	Anglo- Irish %
I am a representative of all employees in the company from my country	65.6	64.8	66.2	53.2	70.2	42.5	72.0	80.9	65.6	54.5
I am a representative of all employees in the company throughout Europe	42.4	48.6	37.8	51.6	39.4	40.0	40.0	46.8	49.2	31.8
I am a representative of all employees working at the same site as me in the company	19.6	17.1	21.4	16.1	20.2	15.0	32.0	10.6	11.5	22.7
I am a representative of all trade union members in the company from my country	18.8	19.0	18.6	21.0	18.6	17.5	17.3	17.0	16.4	31.8
I am a representative of all members of my union in the company from my country	15.2	12.3	18.6	16.1	9.6	22.5	9.3	14.9	18.0	9.1
I am a representative of all trade union members in the company throughout Europe	12.0	15.2	9.7	16.1	10.6	22.5	9.3	4.3	16.4	9.1

TABLE 3. Continued

	All %	Office holders %	EWC members %	Home country reps %	Foreign reps %	Nordic %	Germanic- Dutch %	Southern European %	Franco- Belgian %	Anglo- Irish %
I am a representative of all members of my union working at the same site as me in the company	5.6	6.7	4.8	11.3	3.7	10.0	5.3	2.1	8.2	-
I am a representative of all trade union members working at the same site as me in the company	4.0	2.9	4.8	5.2	3.7	10.0	4.0	-	4.9	9.1

Note: Respondents were asked to rank the statements listed above in order of their priorities as EWC representatives. The table above provides data based on the first two points in the ranking provided by respondents, hence the percentage data add up to more than 100 percent.

all cases foreign representatives are in the minority. The emphasis on country is thus consistent with the scope of the constituency and the resultant political position of many foreign representatives. Although home country representatives emphasize country more than Europe as their principal point of departure, the difference is less than two percentage points compared to a difference of more than 30 percentage points among the foreign representatives. This suggests that home country representatives incorporate a European perspective into their EWC practices, rather than necessarily use the institution as an extension of national systems.

The final five columns of Table 3 illustrate a marked variation in the points of reference used by EWC representatives from the five country-based categories. In part, this variation arises from the characteristics of their national industrial relations systems.

The Anglo-Irish representatives are the least likely to claim to be 'a representative of all employees in the company throughout Europe'. Furthermore, they emphasize 'trade union members' as a point of reference, both 'in the company from my country' (31.8 percent) and 'working at the same site as me in the company' (9.1 percent) to the relative exclusion of 'employees'. This reflects the impact of the single channel system of representation and multi-unionism. Like Nordic representatives who are also embedded in a single-channel system, Anglo-Irish representatives emphasize union members as a key point of reference. Although 'all employees in their country' remains the primary point of reference for Nordic and the Anglo-Irish representatives, it is at the lowest level (42.5 and 54.5 percent) for the national categories of EWC representative. Given the particularly high rates of unionization in the chemical sector in the Nordic countries, the distinction between 'employees' and 'union members' is often hard to draw. It is also noteworthy that Nordic representatives accentuate 'membership of my union in the company from my country' (Nordics, 22.5 percent; all, 15.2 percent). No doubt this reflects the occupationally differentiated confederal structure, the outcome of which is the presence of several unions within many workplaces. Although the basis of confederal differentiation is political or ethnic, rather than occupational, for the Southern European and the Franco-Belgian EWC representatives, they also emphasize 'membership of my union in the company' as a point of reference.

'Site' is a key point of departure for Germanic-Dutch EWC representatives. This result is no doubt influenced by the large proportion of home country representatives based in the countries that comprise the Germanic-Dutch category and suggests that it is the structure of capital in these countries rather than peculiarities in the views of EWC representatives that underpins the dominance of the home country representatives to which Streeck refers. Similarly, the dual system ensures that

Germanic–Dutch representatives accentuate ‘employees’ in preference to ‘trade union members’ as a point of reference.

Southern European EWC representatives emphasize country as a point of reference. While Europe remains as important as for most others, ‘employees working at the same site as me in the company’ is downplayed as a point of reference.

Franco–Belgian EWC representatives emphasize ‘Europe’ more than any other national group, but not at the expense of their national origins. Instead, they downplay ‘employees working at the same site as me in the company’, thus indicating an influence of the very different character of the Franco–Belgian system of workplace representation compared to that found in the Germanic–Dutch countries.

EWC Activity in Wider Context

Beyond the content and quality of the information and consultation agenda and the perspectives of the EWC representatives, the debate on the likely outcome of the Directive centres on two questions. First, what effect, if any, does the presence of an EWC have on the transparency of the affairs of the company within which it is located? Second, can EWC representatives integrate EWC activities with other industrial relations practices to secure ‘added-value’ for trade union organizations? Table 4 presents the results on these two questions. The transparency issues are presented in the upper segment and the integration issues in the lower segment of the table.

The ‘all’ column reveals markedly higher scores on the issues associated with transparency than those concerned with integration. In particular, the scores of 3.6 or more on ‘discussions/negotiations within your company’, ‘dealing with management at your workplace’ and ‘relations with management’ lend considerable support to the view that the Directive has made the affairs of multinational companies more transparent. The transparency, however, is not matched by influence; on this, all EWC representatives are far less positive: ‘securing greater influence for workers at work’ scores only 3.19. This confirms the commentary attached to Table 2 and supports the view of the critics that the shortcomings of the Directive will limit the gains that might be secured through it.

The scores on the integration of EWC activities are uneven. On ‘a means to develop networks among employees representatives’ and ‘relations with other unions’ a score greater than 3 was recorded. These results offer some support to those who saw potential in the Directive in so far as networking among EWC representatives and establishing stronger relations between trade unions are prerequisites to effective development for EWCs. On each of the other integration activities, EWC

TABLE 4. Does Involvement in the EWC Assist you in?

	All	Office holders	EWC members	Home country reps	Foreign reps	Anglo-Saxon companies	Continental European companies	Nordic	Germanic-Dutch	Southern European	Franco-Belgian	Anglo-Irish
Discussions/negotiations within your company	3.74	3.82	3.68	3.57	3.79	3.88	3.71	3.54	3.77	3.87	3.66	3.95
Securing greater influence for workers at work	3.19	3.29	3.14	3.00	3.24	3.17	3.20	3.21	3.03	3.35	3.32	3.27
Dealing with management at your workplace	3.61	3.63	3.58	3.29	3.70	3.65	3.60	3.38	3.57	3.77	3.57	3.81
Relations with management	3.60	3.67	3.55	3.42	3.67	3.57	3.61	3.46	3.64	3.77	3.56	3.64
As a means to organize union action	2.60	2.83	2.52	2.53	2.62	2.63	2.59	2.25	2.46	2.98	2.75	2.41
As a means to develop networks among employee reps	3.54	4.12	3.43	3.52	3.56	3.51	3.56	3.41	3.36	3.77	3.38	4.15
Trade union recruitment	2.79	2.73	2.82	2.56	2.85	2.79	2.79	2.74	2.57	3.36	2.85	2.68
Relations with other unions	3.24	3.22	3.26	3.15	3.28	3.33	3.23	3.23	2.91	3.40	3.52	3.27
Coordinating union activities across Europe	3.01	3.02	3.00	3.00	3.02	3.05	2.95	3.10	2.89	3.09	3.11	2.80
Coordinating union activities within your country	3.04	3.10	3.00	2.90	3.09	3.00	3.06	2.94	2.75	3.25	3.24	3.64

Note: Respondents were asked to indicate their response on a five-point scale; very effective, effective, neither effective nor ineffective, ineffective and very ineffective. Points on the scale were scored 5 to 1. A score of three was thus 'neither effective nor ineffective'. The scores presented in Table 2 are the average scores for each of the categories of EWC representative. An average score of four or more indicates that representatives thought their EWC to be effective, while an average score less than three suggests that representatives considered the EWC to be ineffective to some degree. As several of these questions refer to union organization, the non-members were excluded from this part of the analysis.

involvement was seen to be more ineffective. This was particularly the case regarding EWC engagement 'as a means to organize union action', which is problematic as any transnational action is the primary means whereby influence can be brought to bear on management and requires the coordination of union activity. Given that these areas are weak in the relatively well organized chemicals sector, it seems reasonable to assume that most EWCs are unable to bring sufficient influence to bear to alter significantly management decision-making.

In a manner consistent with findings reported above, office holders tend to be more positive about their EWC engagement than other members. This is the case for all the transparency issues and most of the integration issues. Furthermore, on the EWC 'as a means to develop networks among employee representatives' the average score was higher than four, suggesting that EWC involvement is particularly beneficial for developing networks among office holders. Consistent variation between office holders and other members, however, indicates that differences are emerging within the employees' side that could weaken transnational collaboration.

The overall pattern of higher scores for the transparency issues than for the integration issues is replicated for both home country and foreign representatives. Differences between them, however, are even more consistent than those between office holders and EWC members. Foreign representatives view EWC involvement more positively than home country representatives on the transparency and the integration issues. The higher scores recorded by foreign representatives on the transparency issues reflect the difficulties traditionally encountered by foreign representatives in securing information on company activities and strategy, and indicates that EWCs have facilitated, to some degree, the transnational flow of information. The more positive scores of foreign representatives on the integration issues again support the view that they are the main beneficiaries of EWC involvement.

Although the integration issues tend to receive lower scores than the transparency issues in both Anglo-Saxon and continental European companies, there are few consistent differences between the views of representatives in the two categories of company. In other words, it appears that the country of ownership has no consistent effect on either the transparency or the integration issues. One explanation for the absence of variation between companies of different origin in this regard is that Anglo-Saxon, in particular US, companies are increasingly likely to employ European managers to run their European operations (Marginson et al., 2004). In such circumstances personnel policies may thus mitigate the impact of country of ownership.

The final five columns of Table 4 report the results of transparency and integration by reference to the country of origin of the EWC

representatives. For every national group the same pattern is evident throughout: the performance of EWCs on transparency issues tends to be ranked higher than on integration issues. Southern European representatives are the most positive about their EWC involvement on both sets of issues. Nordic representatives are the most critical on the transparency issues followed by the Germanic–Dutch representatives, whereas the latter are the most critical on integration issues. In particular, Nordic representatives are the most critical of all on the capacity of EWCs to improve ‘relations with management’, whereas Germanic–Dutch representatives have least confidence in the capacity of EWCs ‘as a means to develop networks’. Anglo–Irish representatives are the most positive on this latter issue. This pattern of results is consistent with an explanation based on the effect of the more extensive information and consultation rights available to Nordic and Germanic–Dutch representatives within their national systems compared to those available to their counterparts elsewhere.

Conclusion: How Might Trade Unions Raise their Game?

The long-standing nature and the relatively high density of trade union organization in the chemicals sector suggest that it is one of the segments of the labour market in which trade unionists have strategic strengths to deploy in contesting the development of EWCs. It seems likely that in less well-organized sectors a wider range of difficulties will have to be overcome if EWCs are to be developed. Even in the relatively well-organized chemicals sector, however, it is clear that leaving specific details of the information and consultation arrangements in EWCs for management and labour to contest has created a wide-ranging challenge for trade union organizations and has ensured that transnational information and consultation rights remain embroiled in inter-company competition.

In terms of the objectives identified by EIFs, this article illustrates the extent to which EWCs are an institution in process. The increase in the transparency of company affairs is clearly a major benefit. Furthermore, representatives have compelled managements to release information on a wider range of issues than was initially intended. In contrast, shortfalls in the breadth and quality of the agenda, the restricted extent to which activities are integrated with other industrial relations practices, and, above all, the limited capacity to influence management decision-making, impose significant limits on the utility of current EWC involvement from the perspective of the employee representatives. There is no consistent evidence to suggest that representatives have been able to impose a trade union agenda on EWCs; rather, they have had to struggle to ensure that the standing order agenda has been maintained.

The results also provide three important pointers regarding management attitudes. First, the absence of any uniformity to the agenda of EWCs indicates that managers within many companies are acting to restrict the content and quality of information and consultation. Second, despite the view expressed by UNICE, there is no evidence to indicate movement towards a single model of employee representation in Europe: on the contrary, the combined effect of the terms of the Directive and employer resistance to meeting even the standing order requirements of the agenda have ensured wide variation in the nature and the form of transnational employee representation in Europe. Third, managers have prevented EWCs from impinging on their decision-making. As EWCs have also improved the transparency of company affairs, there are acute dangers for representatives who might find it difficult to separate themselves from management decisions while unable to influence such decisions.

In the light of developments to date, how can trade union organizations act to secure greater influence on EWC competence? In the context of the findings, two principal areas where improvements might be sought are highlighted: the agenda and the integration of EWC activities with a wider range of trade union practices.

At one level the requirements regarding the agenda are straightforward: namely, to ensure that the standing order agenda is attained and that the quality of information and consultation is satisfactory. To these ends, the ETUC, supported by the EIFs, proposed a range of revisions to the Directive, with particular attention directed towards improving the quality and timeliness of information and consultation (ETUC, 2000). Although these proposals were overwhelmingly supported by EWC representatives from six countries (Waddington, 2003), the reluctance of the Commission to revise the Directive to meet these basic requirements effectively puts the onus on company-by-company negotiations to revise EWC agreements in line with the ETUC proposals. As many agreements are being renegotiated or include provision for renegotiation some progress to this effect is already underway. Furthermore, several EIFs and national trade unions have published 'best practice' standards that incorporate requirements on quality and timeliness, and now refuse to sign EWC agreements that fail to meet these standards.

Of course, it is a basic requirement that information exchange and consultation of sufficient quality inform practice. The intention of trade unionists, however, is to develop this practice to embrace a broader agenda. Recent developments that link EWCs with the corporate social responsibility agenda illustrate developments in this regard. In the chemicals sector, agreements on corporate social responsibility have been concluded at Rhodia, Statoil, Freudenberg and Endesa (Hammer, 2005). Such agreements commit the company to observing ILO conventions throughout its global operations, including a right to trade union

membership among all employees. A similar agreement at Daimler-Chrysler has recently been used to compel a Turkish company in the supply chain of the multinational to recognize trade unions (Metz, 2005). Agreements on corporate social responsibility may thus be used to extend trade union organization and bolster resources to the employees' side.

A range of reforms have recently been introduced by some trade union organizations to improve the support of EWC representatives and to integrate their work with other trade union activities. To this end some national trade unions convene courses for EWC representatives from several countries, while initial generic approaches to training have been largely jettisoned in favour of bespoke courses that address issues of particular concern to representatives from individual companies. Procedures for reporting back the outcome of EWC deliberations and for instituting communication systems have also been developed in recognition of the specific problems faced by EWC representatives in these fields. However, support for EWCs is often provided by officers who have no role in setting the bargaining agenda for their company: for example, by an individual based in the International Department of the union or in a 'stand-alone' role dedicated to EWCs. While such individuals may be best placed to represent the union in discussions with European institutions or to set and monitor standards for EWC agreements, they are distant from the range of bargaining activities conducted within companies. To eliminate this distance several trade unions are now transferring day-to-day responsibilities for EWCs to officers with a direct role in bargaining and involving EWC representatives in formulating the bargaining agenda. Such a shift also opens opportunities to link the nascent bargaining agenda of EWCs with that pursued within companies through national bargaining arrangements.

To conclude: although the situation from the perspectives of many EWC representatives is far from satisfactory, the presence of the institution provides a platform on which trade union influence can be extended. To establish more wide-ranging influence they will have to contest the development of EWCs with management. Current trade union approaches to the support of EWC representatives and to the integration of their activities within a broader trade union agenda require improvement if the outcome of this contestation is to prove more favourable.

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NOTES

- 1 The same source indicates that 2204 companies come within the scope of the Directive, including those based in the 10 new Member States of the EU. The current rate of coverage is thus 35 percent. It should be noted that the current number of EWCs is 784 because several companies operate more than one EWC.
- 2 The term 'trade union organizations' is used here to refer to the European Trade Union Confederation, European Industry Federations, national union confederations and trade unions within member states.
- 3 In particular, it argued for more than one meeting of the full EWC per year, more detail on the timing of the provision of information and the conduct of consultation, and lower company size thresholds for inclusion within the scope of the Directive.
- 4 Waddington (2006) examines the development of EWCs in the metal and engineering sectors.
- 5 These include: 'the structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments and substantial changes concerning organization, introduction of new working methods or production process, transfers of production, mergers, cut-backs or closures of undertaking, establishments or important parts thereof and collective redundancies'.
- 6 The position in Ireland and the UK may change with the implementation of the Information and Consultation Directive.

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