



PES ministerial declaration: *Workers' participation, a key success factor for Europe's recovery*

Adopted at the online PES meeting of Employment and Social Affairs Ministers, 13 October 2020

Fair and adequate wages, social protection, as well as stable and reliable contracts ensure the autonomy of workers the protection of their rights and contributes to their wellbeing and productivity. This autonomy and this protection enable workers of all genders to decide freely, build their future and shape their professional careers and life. This is why, as European socialists, we fight for quality jobs for all in Europe. For us, trade union membership, workers representation and participation, effective social dialogue and collective bargaining are the best ways and first choices to guarantee the protection of workers and ensure good working conditions, adequate wages and wage growth. Providing workers with the right to participate in company decision-making is a cornerstone of Social Europe. It is the trade unions' fight and it is our fight.

Covid-19 has severely hit the EU and its economies. Many companies have started restructuring processes, yet they will need a committed, innovative and creative workforce to get out of the crisis. Workers invest their time, motivation, skills and expertise for the development of a company and cannot be treated as a commodity. To the contrary, their involvement in corporate governance will help companies survive and further progress as we slowly recover from the sanitary crisis.

The more extensive the involvement the higher the identification of workers and their active participation and contribution in challenging processes.

Information, consultation and board-level representation of workers are part of the European social model and the social market economy, acknowledged in the Charter of Fundamental Rights of the European Union and the European Pillar of Social Rights.

Workers' participation in general, and codetermination in particular, helps balance capital and labour interests, reduces income inequality and contributes to upward convergence of working conditions for all. It gives a say to workers on their working environment and reduces staff turnover. The involvement of workers in company decision-making also contributes to sustainable corporate governance, leads to higher investment rates, raises productivity, increases innovation and strengthens companies' competitiveness and resilience in periods of crisis. Collective bargaining can also help close the gender pay gap.

Yet workers' rights to information and consultation as well as board-level representation have been under threat. Some unscrupulous companies use the economic freedoms that the EU provides them with in order to avoid or weaken workers' participation standards. This leads to a weakening of workers' rights and unfair competition.



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- We stand ready to defend workers' participation in all forms of companies, including franchises and subcontracting chains. Founding a European company (SE) or transferring the company seat should not enable companies to undermine existing labour standards.
- We call on the European Commission to put forward a European framework directive setting high minimum standards on information and consultation as well as on board-level representation for EU Company forms and for companies using EU mobility instruments. These standards should respect the variety of different national traditions, foster gender equality in workers' representation and encourage Member States to adopt more ambitious national legislation, including sanctions in case of non-respect of trade union consultation.
- We call on the Commission to close the identified loopholes of the current European Work Councils Directive through a revision.
- We further call on the Commission to pay close attention to the issue of workers' participation when submitting future regulatory proposals.

The exercise of social dumping weakens the support for the internal market as well as the competitiveness of businesses, in particular SMEs, undermines the rights of European workers and confidence in European integration. Pitting workers one against another and wage dumping cannot be economic strategies for companies in the EU. We reiterate the need to ensure the full respect of the principle of equal pay for equal work and the need to fight against wage dumping. In times of crisis, we cannot accept outsourcing and restructuring strategies that cut jobs in one country to move them to another Member State. This calls for strengthened collective bargaining, including across borders.

- We support transnational company agreements concluded with European Trade Union Federations and call for a Tripartite Framework Agreement to establish an effective framework for such agreements. This framework should strengthen national collective bargaining systems.

Digitalisation, the transition to a carbon-neutral economy and the socio-economic consequences of the Covid-19 pandemic are fundamentally transforming our economies and societies. Because for us sustainable economic growth needs to go hand in hand with social progress, the EU should defend and promote a business model based on workers' participation, social justice and sustainability. We are convinced that workers' participation, involving those who are closest to a company's economic and social reality, will be a key success factor in shaping a just, green and digital transition.

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- **Pierre Yves Dermagne**, Deputy Prime Minister, Minister of Economy and Employment, Belgium
- **Frank Vandenbroucke**, Deputy Prime Minister, Minister of Health and Social Affairs, Belgium
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- **Hubertus Heil**, Minister of Labour, Germany
- **Franziska Giffey**, Minister for Family Affairs, Senior Citizens, Women and Youth, Germany
- **Francesca Puglisi**, Deputy Minister of Labour, Italy
- **Romain Schneider**, Minister of Social Security, Luxembourg
- **Dan Kersch**, Minister of Labour, Employment and Social Economy, Luxembourg
- **Taina Bofferding**, Minister of the Interior, Minister of Equality between Women and Men, Luxembourg
- **Owen Bonnici**, Minister for Education & Employment, Malta
- **Eva Nordmark**, Minister for Employment, Sweden