



## SEEurope – Project overview

The SEEurope Project, conducted jointly by ETUI-REHS and the Hans Böckler Foundation, has created a pool of knowledge concerning the European Company (SE) over the last five years. The Network commenced operations around 18 months before the SE Directive came into force in October 2004 and *soon accumulated considerable know-how in this 'new area'*. The Project made it possible to concentrate activities in this area very efficiently.

SEEurope is a *genuinely European project*. The innovative approach of building up a cross-border network of (academic) experts has proved both ambitious and rewarding. Over the years, in almost all the 30 countries in which the SE legislation applies country correspondents have reported on the implementation of the SE legislation and on national debates concerning codetermination and corporate governance. The topic of the SE has been discussed via the SEEurope Network *in almost all the 30 countries* within the framework of lectures, network meetings and various events (among other things, a tripartite event in Malta). The expert network has also made it possible to accumulate expertise in countries in which the topic of workers' participation has traditionally received little attention. The Network has proven very stable in terms of personnel. Alongside regular Network meetings (three a year) constant internal communication by means of the Internet has shown itself to be an important means of generating cohesion and continuity. Close and long-standing cooperation has brought into being a *functioning European network*.

From the very beginning it was a prominent aim of the Project to make its research results available as quickly as possible. With the construction of the SEEurope website – [www.seeurope-network.org](http://www.seeurope-network.org) – project results (for example, country reports, topical studies, case studies, SE Factsheets) could be published directly on the Internet. SEEurope constitutes a 'brandname' that stands for European, trade union friendly expertise in the area of the European Company (SE) and codetermination. Its high reputation reaches beyond the trade unions, however. Soon after the launch of the SEEurope website the project established itself as an essential source of information and resource for SE-related issues. In this way it has been possible to approach actors who traditionally did not seek dialogue with the trade unions and to establish workers' participation as a central aspect of SE discourse. In the form of the *SE Factsheets*, which contain information on all registered SEs, the Network

possesses a unique selling point. The Project website is in fact the sole current means of obtaining comprehensive information on registered SEs. From the beginning the European Commission too has made it clear how valuable it considers the Project. In the words of a Commission official who has regularly participated in Network meetings, 'If at the Commission we want to find something out about SEs we look at the SEEurope website.'

*Development of www.worker-participation.eu* has made it possible to put the topics of the SE and codetermination in a broader context. The website can be seen as a portal for information about workers' participation in Europe and as a forum for raising the subject's profile. The number of visitors has multiplied in comparison to the previous extremely specialised website: now, on average, more than 2500 different persons use the website each month, and the trend is rising. A search on Google shows how visible SEEurope's online presence has become (top rankings for search items 'worker participation', 'European Company' and 'SE').

Alongside the basic academic work it has been a priority of the Project to develop *materials of a practical nature*. In particular the publication – which has appeared in both German and English – 'The European Company – Prospects for worker board-level participation in the enlarged EU' has proved to be an important resource for trade unions and many practitioners involved in establishing an SE. The *Case Studies* constitute an ambitious attempt to analyse the first 'big' SE establishments in order to be able to draw lessons for other SE establishments early on. The experiences of the first SEs have shown how difficult and intensive negotiations were, not least with regard to the entirely new subject matter and the maximum negotiation time of six months.

There has been *close cooperation with the European trade union federations* within the framework of the project. This includes, for example, the support of the trade union representative in the European Corporate Governance Forum, the substantive advice of the ETUC on SE questions and concerning corporate governance/European company law, but also cooperation with European branch trade unions, which found expression, for example, in the drawing up of several SE checklists (with UNI-Europa), as well as many presentations and measures of practical support. The Network has also received many enquiries from national trade unions. In one case someone from ETUI-REHS took part as a trade union expert in meetings of the special negotiating committee.

While the work of the Network concentrated at first on the European Company (especially implementation of the SE Directive in individual member states, as well as the first SE establishments) subsequently *interfaces with other topical areas* have been developed and the theme has been embedded in a broader context. In particular, corporate governance and European company law have been integrated in the Network's topical spectrum in this way. In addition, the close interlinking with other projects of the ETUI, the Hans Böckler Foundation and partner organisations

has proved profitable. Examples of successful synergy include activities within the framework of the PRESENS Project from 2006 (focus 'new member states'<sup>1</sup>) and the GoodCorp Project, which examined the interface between corporate governance and codetermination.

As regards content, from the beginning the project sought to bring the topic of 'codetermination' and the presence of employee representatives in enterprise management bodies into the mainstream of the debate on the organisation of the European Economic and Social Model. Although this topic enjoyed some prominence in the public perception until the 1980s the '*industrial democracy*' approach, in which codetermination was a decisive element, faded away, at the latest with the fall of the Berlin Wall and the advent of the 'new economy' in the 1990s. The legislation on workers' participation in the European Company (SE, 2001) and in the European Cooperative (SCE, 2002) can be regarded as a belated expression of this period of struggle concerning obligatory employee involvement as a component of corporate governance and social democracy in Europe. It took around 30 years before it became a belated reality in Europe.

The European debate on corporate governance and company law is shaped today by the *Anglo-Saxon model of corporate governance*: the recipe for a successful enterprise, accordingly, lies in ensuring complete openness and transparency for its investors, but only for them. In this context, workers' participation in enterprise organs is considered an outdated foreign body. In terms of social policy, the notion of 'shareholder democracy' has been taken up enthusiastically for this purpose. In contrast to the institutional concept of 'industrial democracy' of previous years this rests on the individual's social role as shareholder.

Since problems are becoming more and more evident, however, in connection with the direct transposition of the Anglo-Saxon model to the differently structured European 'environment', the debate concerning a *broader social orientation and embedding for companies in Europe has taken on a new impetus*. This is exemplified, among other things, by the new enthusiasm for the topic of 'corporate social responsibility'. This could – and indeed should – usher in a new era for the revitalisation of workers' participation in enterprise decision-making. The European Company (SE) provides the formal legal (voluntary) framework for this in cross-border companies in Europe.

Mandatory workers' participation in decision-making in European companies is a *contribution to Europe's further social integration and democratic legitimation among its citizens*. Based on the European fundamental right of individual workers to information and consultation in good time and in an appropriate place if they are affected by enterprise decisions (Art. 27 of the European Charter of Fundamental Rights, which would be binding by means of a reference in the yet to be ratified

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<sup>1</sup> More information is available on the project at: <http://www.seeurope-network.org/homepages/seeurope/presens.html>

Lisbon Treaty of 2007) legally guaranteed participation makes workers in Europe 'citizens in the company', from the workplace to enterprise level. So far, only around 400,000 SE employees have come to enjoy comprehensive participation. At the same time, around 14,000 members of European works councils already constitute a significant part of Europe's extraparliamentary democratic infrastructure.

Europe: Industrial democracy or 'one share, one vote'?



**Lisbon Treaty:**  
**Social goals strengthened – full employment a target**  
**Information/consultation a European fundamental right: workers**  
**'citizens of the company'**

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However, mandatory workers' participation also lies at the core of *European companies' economic success*. In accordance with the political aims of the Lisbon Strategy (2000) a special type of European competitiveness should be promoted globally: Europe's companies should strive for success more on the basis of the quality of their products and services and less on the basis of competition over the lowest production costs. This calls for a skilled workforce that identifies with and is committed to the company. People expect to have a hand in the development of their company. Mandatory workers' participation is an efficient means for this purpose because it permits the formation of opinions independent of the employers and establishes 'internal control' of enterprise processes. The SEEurope Project has provided empirical evidence that *there is no negative relationship between strong workers' participation and the economic competitiveness of EU member states* (ETUI/ETUC: Benchmarking Working Europe 2006 and 2007).

The debate was further advanced by the concept of the '*sustainable European company*' developed within the framework of the SEEurope Project (by Sigurt Vitols). Five elements characterise such a company: (i) consensus on sustainability as an enterprise goal, (ii) a reporting system that is appropriate and conducive to its goals, (iii) a detailed strategy for achieving sustainability goals, (iv) suitable incentives, also in respect of managers' pay, and finally (v) the explicit involvement of further *stakeholders*, in particular employees. This concept has been presented at a number of events (for example, at a public discussion in Lisbon in November 2007 with local trade unionists, stock market specialists and entrepreneurs) and has proved to be a stimulating platform for further discussion of the future role of companies and their investors and employees.

In many discussions, also on the occasion of new EU legal provisions in European company law,<sup>2</sup> participants in the SEEurope Project have been able to gain a hearing for their opinions. Even if in the European context of regulatory completion of the Single Market it has remained marginal overall, it has not been possible simply to ignore this line of argument.

The SEEurope Project has also striven for a *better understanding of the Europeanisation of employment relations*. Workers' participation in enterprise organs is understood as one of a range of different elements of participation in national and cross-border employment relations. It functions in combination with enterprise interest representation, whether through statutory works councils or trade union representations in the workplace, the trade unions' collective agreement policy and other forms of participation, such as direct involvement, for example in team work or financial participation, whether profit-sharing or shareholding. In this '*uncompleted puzzle*' of *European employment relations* the different pieces are well known at every level. But so far there has been little research into how they function in accordance with national trade union traditions and the culture of cooperation between employers and employees, especially in the context of a growing European Single Market and transnational enterprises with their own enterprise cultures. Not least important in this regard is the lack of appropriate methods of comparative research, '*functional equivalents*' for investigating different forms of participation and then comparing their effect on one another at European level.

At European level essentially the *three major directives* on information and consultation at national level (2002/14/EU), European works councils (94/48/EU) and participation in the SE/SCE (2001/86/EU; 2003/72/EC) are regarded as important coordinates and framing references for a Europeanising system of employment relations. The SEEurope Project has drawn on this concept, particularly in its analyses of the first SEs. One of its avowed goals is to develop this further in follow-

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<sup>2</sup> For example, on the coming into being of the European merger directive and in spring 2008 with preparations for a statute on the European private company.

up work on the implementation and practice of workers' participation and employer–employee relations in SEs.

In summary, we can say that the SEEurope Project has been able to develop in a number of directions and at various levels: everything there is to know about workers' participation at enterprise level, both in the EU member states and at the higher European level can be found in the pool of knowledge made available by the website [www.worker-participation.eu](http://www.worker-participation.eu). The originality and quality of the reporting on the emergence of SEs has been recognised far beyond trade union circles. Employees facing the prospect of conducting negotiations on their participation in future SEs can find ample basic materials and information on others' experiences here. By means of the SEEurope Project the topic of workers' participation at enterprise level was connected to the current debate on a European Economic and Social Model and on the social role of enterprises and investors. Finally, the Project has also received attention in the academic world due to its innovative character, finding appropriate ways to process information in the EU-27.

After around five years the SEEurope Project, together with its website [www.worker-participation.eu](http://www.worker-participation.eu), today belongs within *the ambit of the ETUI-REHS*. After the support of the Hans Böckler Foundation had come to an end in 2006 it was taken up, despite the comparatively large financial and organisational costs, into the Institute's ongoing and self-financed work programme. In this way the European trade unions have at their disposal a reliable source for continuously pursuing the development of one of their policy areas for the future: how will it be possible to cooperate successfully in the formation of the economy and employment relations through mandatory participation in enterprise decision-making? On top of that, how can restructuring and job prospects be shaped in the wake of relocations or enterprise closures? All this was intensively discussed on the occasion of the ETUC Summerschool in Runö, Sweden, in June 2006 on the basis of preliminary work within the framework of the SEEurope Project (Kluge 2006). The ETUC conference in Seville in 2007 confirmed the trade union course on European workers' participation at enterprise level – given the very different attitudes to this level deriving from historically divergent trade union traditions in European countries it is a remarkable stance.

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