Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 564 (1974)[1]

Participation of employees in the decision-making process within the enterprise

Parliamentary Assembly

The Assembly,

1. Emphasising that any form of participation by employees should be aimed at involving them more closely in decision-making in their firms ;

2. Considering that employee participation in the decision-making process within the enterprise constitutes a major contribution to the promotion of economic democracy and allows the employees of a firm better possibilities for their personal development ;

3. Considering that employee participation must be organised in a way which ensures the efficient and stable management of an enterprise ;

4. Welcoming the fact that legislation on employee participation in the decision-making process within the enterprise has been introduced in many Council of Europe member states, regretting however that in most cases this legislation is rather limited in scope, providing only for consultative machinery through which employees can bring some influence to bear on the policy of their enterprise and their conditions of of work ;

5. Noting the proposals by the European Commission on a "Statute for the European Company" and the provision therein for the creation of a "European Works Council" and for employee representation on the supervisory board of such a company, and the Commission's draft fifth directive on company law proposing that limited companies employing more than 500 people should have a supervisory board to be nominated for at least one-third by the employees or their representatives or alternatively to be coopted by the board members with the right for employees and shareholders to propose and reject candidates ;

6. Expressing the hope that agreement will be reached among all the parties involved on a statute for a European company and especially on its rules on employee participation, and that consideration should be given to the application of such rules to European companies with operations in European countries with free trade agreements with the European Community ;

7. Considering that social and economic progress should be as harmonious as possible in the Council of Europe member states, and provide for effective employee participation in individual companies located in the Council of Europe member states in decision-making on matters of great importance to employees and to their enterprise, and inviting governments to make efforts to achieve a common approach in this field of vital interest for the future of national economies and of European economic integration upon which the prosperity and security of its employees depends, emphasising the importance of active workers' participation in trade union affairs and elections in parallel with participation in the enterprise,

8. Urges the governments of the member states :

to pursue policies designed to promote legislation on employee participation in decision-making at various levels, in close consultation with trade union and employers' organisations ;

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1. Assembly debate on 9 May 1974 (5th Sitting) (see Doc. 3423, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 9 May 1974 (5th Sitting).

to consider basing such legislation on the following guiding principles :

a. *full and adequate information on the operation of the company, its financial results and position should be regularly made available to the works council ;*

b. *firms and establishments of firms of a certain size - and in any case those which employ more than 50 persons - should have a works council with a majority of the representatives elected by the employees and exerting real influence on decisions of vital interest to them, such decisions not to be limited to those dealing with purely social and health problems ;*

c. *companies of a certain size - and in any case those which employ more than 1 000 employees - should have, in addition to an executive board, a supervisory board, to consist of at least one-third employees' representatives ;*

d. *employees elected to works councils or company boards should have the possibility for study and training for their functions without loss of income ;*

e. *legislation on employee participation must not prejudice collective bargaining powers or procedures and other forms of participation, such as profit-sharing and coownership systems, which already exist in certain Council of Europe member states ;*

f. *in the development of legislation on a company structure which makes provision for employee participation in the decision-making process, special care should be taken that companies adopting this structure are not subject to fiscal discrimination.*